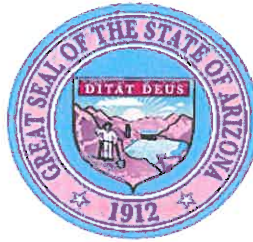


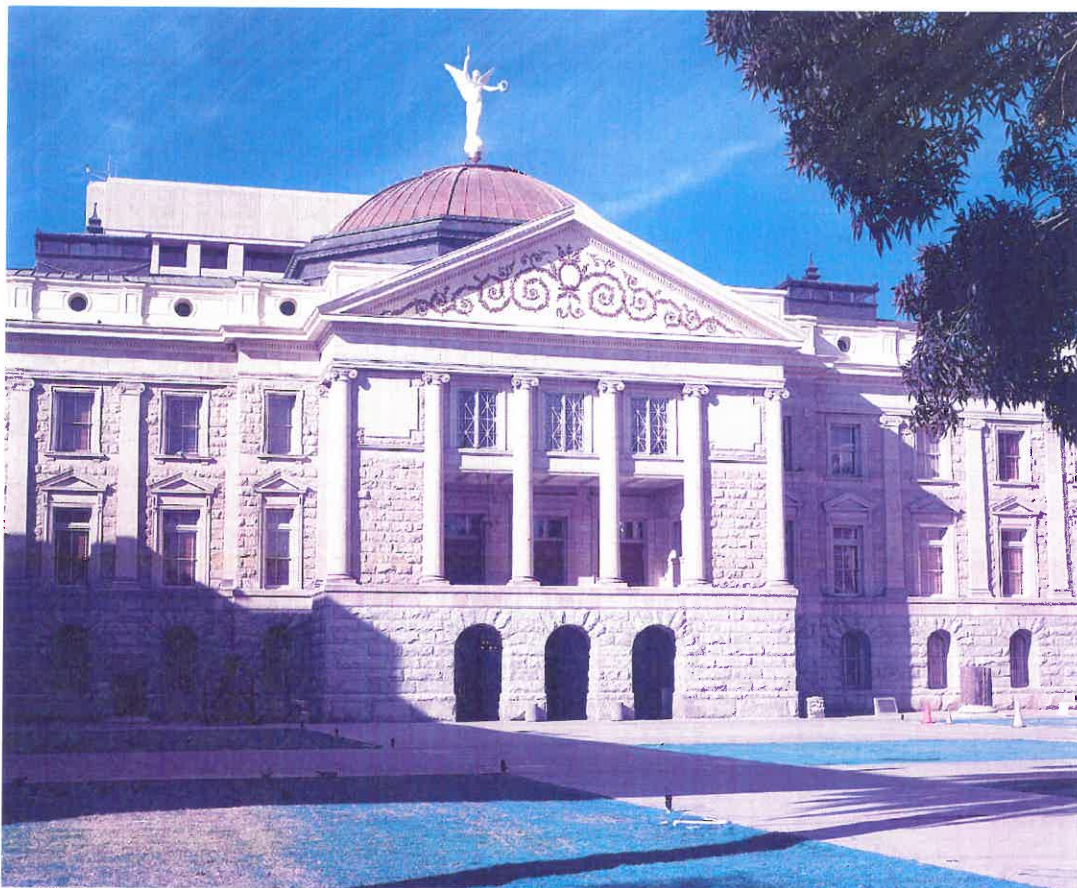
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Arizona Department of Administration State Procurement Office

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Arizona State Retirement System Procurement Performance Review

Prepared by: Professional Group Public Consulting
10/01/2014

**STATE OF ARIZONA
STATE PROCUREMENT OFFICE
PROCUREMENT PERFORMANCE REVIEW
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ASRS Procurement Performance Review

Summary

As part of the Procurement Reform requirements of HB 2599, dated September 13, 2013, the State Procurement Office developed the scope of work for third party Contract Compliance Review. On July 18, 2014, The Professional Group Public Consulting, Inc. (PGPC) was awarded ADSP014-00004002 for Contract Compliance Review Services.

The Arizona State Retirement System had a membership as of June 30, 2014 of 127,881 inactive members or beneficiaries receiving benefits; inactive members entitled to, but not yet receiving benefits; and 207,556 Active plan members. There were 585 employer units participating in the Arizona State Retirement System.

The Professional Group Public Consulting Company (PGPC) performed a Procurement Performance Review of the Arizona State Retirement System (ASRS). The review commenced on October 1, 2014 and focused on the Agency's ability to properly exercise procurement authority in accordance with its procurement delegation, the Arizona Procurement Code (APC), SPO Technical Bulletins, and Standard Procedures.

The review included an examination of the Agency's procurement division procedures manual; review of personnel training records; observation of internal systems controls; interview with procurement personnel; review of quarterly and annual Agency procurement reports; examination of solicitations, contracts and purchase orders performed by the Agency. ASRS had not had an internal audit in the last five years.

Nine solicitations and contracts were selected for review. The reviewed files included two requests for quotations (RFQ), one invitation for bid (IFB), and five requests for proposals (RFP). One Emergency Procurement was also reviewed.

This review may not have detected, nor should it be relied upon to detect, all deficiencies that may have existed or improvements that should have been employed by the Agency at the time of the review. Contained in this report are the findings and recommendations.

ASRS Procurement Performance Review

Finding, Recommendations, Noteworthy Practices

Interagency Service Agreement (ISA)

“III. Purpose of the Agreement”

The purpose of this Agreement is for ADOA to provide ASRS with on-site procurement administration services. The chief procurement officer (CPO) assigned to provide services to ASRS pursuant to this agreement shall:

According to the modified Interagency Services Agreement, (ISA) signed by both SPO and ASRS:

1. Work with ASRS leadership to develop, review, and guide agency procurement procedures;
2. Provide direction to ASRS procurement employees including training, educating and mentoring;
3. Confer with Senior ASRS staff on agency procurement issues, projects, and overall performance of the ASRS procurement unit;
4. Provide direction and guidance to ASRS management and staff and vendors on policies, regulations and procedures;
5. Work with ASRS procurement employees to develop, negotiate and administer contracts, agreements, and leases.
6. Be responsible for executing and/or managing difficult and unique transactions and should be versed in such areas as purchase requisitions, bid specifications, invitation for bids, request for proposals, request for quotations, scope and/or statement of work, contract negotiations, and compliance.”

Findings:

1. ASRS negotiated a modified ISA that gave more authority to the ASRS staff and modified the CPO’s authority. In one specific area the following was omitted: *“Be responsible for and conduct all procurement activities for the ASRS as specified within the authority delegated to*

ASRS Procurement Performance Review

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the CPO by the State Procurement Administer". Additionally the standardized language had multiple references to management and supervision and these were deleted (ISA III, 1-6). PGPC was told multiple times during individual meetings with staff stated that "nothing has changed" in the role of the CPO. If the Standard ISA III 1-6 were implemented, all staff would more likely have been able to acknowledge change.

2. Best practices in public procurement necessitate that the CPO be able to oversee and direct all aspects of the procurement process, not simply review and sign at the end as documented in ISA III, #6. It was communicated to PGPC during interviews with staff that the CPO reviewed each of their solicitations and the accompanying support documents prior the CPO making the actual award. The worksheets detail the findings in the nine solicitations reviewed. The worksheets show systematic problems with getting the details right. The responsibilities are not being adequately divided between different employees so one individual does not control all aspects of a procurement. ISA III, #6.
3. CPO did not take the lead for executing and/or managing difficult and unique transactions as documented in ISA III, #6. In 2012 seven formal solicitations were issued; in 2013 two solicitations were issued; and in 2014 seven solicitations were issued. Of the small number of solicitations that were difficult and unique, only one was conducted by the CPO. It was communicated to PGPC during interviews that the CPO did not have the "technical" knowledge needed; therefore, she was not acting as the lead procurement officer as required in ISA III, #6. The CPO took the lead in four formal solicitations in the last two years.
4. The CPO is not the lead member of the ASRS procurement activities. The ASRS procurement office is an inclusive and collaborative office; however, the modified ISA does not clearly define roles and responsibilities in this organization. While being collaborative is an asset, it can lead to a lack of oversight and direction. The CPO is delegated unlimited

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authority based on her tenure, experience, certification, and training. She has been with ASRS for multiple years. While the procurement staff has weekly meetings to communicate and update each other on current procurement solicitations and issues, the CPO is not the organizer or leader of these meetings. No agendas or minutes for any weekly meetings could be substantiated. This responsibility is clearly defined in ISA III, #3. The CPO must be understood and accepted as the clear leader.

5. The CPO delegation requires procurement responsibilities supported by Arizona Procurement Code, Technical Bulletins, and Standard Procedures. These are not being properly approved/reported/monitored (i.e. procurement personnel lack completion of training requirements commensurate to their position/title, procurement staff receiving 20 hours annually at NIGP, ISM, or another SPO approved procurement training provider). All ASRS procurement staff lacked some requirement of the minimum training and therefore no one completed the minimum training requirements associated with their position and title. TB-01, TB02. ISA, #2.
6. The CPO took the lead on four of ten recent formal solicitations and it appears that other personnel are not reviewing and signing off, with documentation, on her work. ISA, #6. This practice of no separation is an open door for procurement fraud to happen and could go undetected for a significant period of time. Additionally, this could provide an opportunity to develop specifications or requirements that could favor a particular product or supplier. Checks and balances promote the practice of separation of duties is universally intended to prevent fraud as well as errors.
7. The CPO does not provide in-house procurement training and mentoring programs for newly-hired procurement personnel as required in ISA III, #2. Additionally, the CPO has not provided current procurement staff training as outlined by SPO TB-01, TB-02. Further, the

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CPO role was not fulfilled as all staff had unmet required training hours in the past year (by all procurement staff members), and the absence of any ethics training. TB01, TB02.

Recommendations:

1. **Standard ISA:** ASRS, as well as all agencies with an ADOA CPO should have the same standard ISA agreement for Delegated Procurement Authority. This will diminish many of the findings in this area and promote use of best practices. Agency CPO's should be authorized only under the standard ISA. This is especially critical if ASRS is to keep unlimited procurement authority.
2. **Organization:** ASRS must look at revising their staffing to have a more focused procurement staff. PGPC recommends revising staffing so that there are fewer people with part-time procurement responsibilities. It is further suggested that the responsibilities should be better divided between employees. By performing an organization restructuring, the CPO has oversight and procurement activities will have checks and balances in place.
3. **Checklist:** A checklist should be developed to provide documentation of review, accountability, and to aid all staff in their work. This checklist would also serve to ensure that all standards and requirements are in place and executed. When other employees take the lead, the CPO reviews and signs off on a checklist. Conversely, when the CPO takes the lead, then agency staff should review and sign off using the checklist. Without a checklist, there is no documentation that any review has taken place.
4. **Training:**
 - a. It is recommended that the CPO receive additional training by SPO to clarify the position's expectations and its duties. Then the information needs to flow through to the ASRS procurement personnel so that all may better understand the impetus for

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the transformation of the position and the expected changes that should result.

Additionally, leadership training would better prepare the CPO to manage strong personalities within the Agency and build confidence in her position. The CPO must improve efficiency and effectiveness by taking the leadership role for the unit.

- b. The CPO needs to be proactive in tracking the compliance issues of training, delegation authority, and cross checking work. A system should be developed and put in place to aid in this tracking. The CPO should assure that all procurement personnel have the necessary training for the Delegation of Procurement Authority and titles they hold within the organization.
 - c. The CPO should require that all procurement personnel complete the annual twenty (20) hours of procurement training to enhance proficiency and the professional status of procurement.
 - d. The CPO needs to provide formal in-house procurement training and mentoring programs for all staff but especially newly-hired procurement personnel. Mentoring is occurring but it is neither formal nor structured.
 - e. It is also recommended that the CPO develop and deliver an in-depth training program required for all ASRS procurement staff. The need for standardization and compliance will be reinforced through training for all staff.
5. **Timelines:** The CPO must require that all procurement personnel have signed Delegation of Procurement Authority documents in place in a timely manner.

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Delegation of Procurement Authority

In accordance with A.R.S. §41-2511 and §41-2512 and A.A.C. R2-7-202, the Arizona State Procurement Administrator delegates procurement authority to State Governmental Units via a written document, based on that governmental unit's procurement expertise, knowledge, experience, performance of the CPO, and the impact of the delegation on procurement efficiency and effectiveness. The Certificate of Unlimited Delegated Procurement Authority issued to state governmental unit CPOs with unlimited delegated procurement authority outlines the Agency's authority to purchase, authority to administer contracts, authority to sub-delegate, actions requiring prior approval, notices, actions, and reporting requirements, general requirements, and specific exceptions to the certificate of unlimited delegated procurement authority.

Findings:

1. The signed Sub-Delegation of Procurement Authority (DPA) documents were not in place until October 6, 2014, contrary to the requirements per ARS §41-2511, ARS §41-2512, R2-7-202 and R2-7-203. The Agency itself has unlimited procurement authority, but only two individuals have more than \$5,000 in signature authority. While the CPO may sign all procurements, other procurement staff members are completing solicitations from inception to completion, requiring the ASRS-CPO to only review and sign. Additionally, the CPO's work is not being cross checked for compliance, in conflict of required technical bulletins.
2. The Annual Procurement Disclosure Statement (PDS) were signed in July 2014. However no PDS were in place during FY13-14 as required by HB 2599, dated September 13, 2013. A number of employees indicated that this was the first time they had ever been asked to sign one. ARS §41-741, §41-2517 address many items including Significant Procurement Role and potential conflict of interest issues dealing with procurement officers and employment

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with any firm who might respond to a solicitation. In short, these two areas address possible Conflict of Interest issues. Conflicts can be actual, perceived or potential.

3. The procurement personnel have not completed necessary training applicable to the delegated authority on their individual agreement. TB-02 was not adhered to when one employee had a job title, but the employee's training was only that of a Procurement Associate.
4. PGPC found that none of the procurement personnel have completed the required twenty (20) hours of procurement training. Additionally, no training was focused on ethics. TB-01, TB-02
5. All three ASRS staff, those certified by NIGP, have their responsibilities divided between procurement and their other significant areas of responsibility. Any time there is a division of duties and an overlap of area there is opportunity for conflict of interest to arise. It was also a concern for conflict when one staff member quoted, requisitioned, and authorized the small dollar PO for the specialized area of responsibility. The Arizona Department of Administration, General Accounting Office, State of Arizona Accounting Manual, Topic 05, Internal Controls, Section 30, Fraud, Theft, Waste, and Abuse details agency responsibilities to implement internal controls.
6. Currently, only the CPO, the ASRS Director and the Assistant Director have unlimited procurement authority and signature authority. PGPC identified that this appears to be a source of friction. While it may cause resistance, as stated by staff during interviews, it is simultaneously being used as a technicality to prevent conflict-of-interest between the duties and responsibilities. Two of the three ASRS certified by NIGP staff have zero or just \$5,000 signature authority because of the possibility of conflict of interest because of the other responsibilities held by them.

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Recommendations:

1. **Delegation of Procurement:** The CPO should assure that all procurement personnel have their Annual Delegation of Procurement Statement (DPS) in place for the start of each fiscal year. When the Sub-Delegation of Procurement Authority (PDA) is signed, also obtain signed updated Annual Procurement Disclosure Statements at the same time.
2. **Training:** The ASRS staff needs to make themselves available for the many opportunities for procurement training; special attention should be focused on the minimum class requirements for positions held within the agency. All ASRS staff must meet the minimum training required in the Delegation of Procurement Authority found in VI. General Requirements H1-2.
3. **Conflict of Interest:** ASRS should have three people involved in the process to avoid any perception of conflict of interest. This would be in compliance with Procurement Conflict of Interest per policy and best practices.
4. **Organizational Structure:** As addressed in ISA recommendation #2, ASRS would benefit revisiting its organization chart to look for ways to address a number of areas. This includes separation of duties and responsibilities so as to avoid the merest hint of any conflict of interest in area served and of supervision of tasks, processes and audit trails. The revised Organizational structure would designate the CPO as the Procurement Authority as required by the ISA and to reduce conflict of interest.

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Procurement Policies and Procedures Manual

A procurement policy and procedures manual is beneficial to establish guidelines and standards for the acquisition of products and services by Arizona State Retirement System (ASRS). A relevant and up-to-date manual fosters consistent procurement practice within ASRS and serves as a basis for procurement control and oversight. A purchasing policy and procedures manual should include, at a minimum, State Procurement Office (SPO) specific instructions that supplement the general instructions of the Arizona Procurement Code, State Procurement Office Technical Bulletins, and Standard Procedures. Additionally, this policy should cover ethics and how to address any ethical issues that may arise. It is critical for policies and procedures to be clearly defined and communicated. It should provide for a clear understanding of expectations, improve employee engagement, ensure compliance; address escalating risks and challenges, communicate with all affected staff, and will communicate the need to document, document, document.

Findings:

1. The ASRS does not have a procurement policies manual; however, it does have a Procedures Manual that was last revised in April 2010. This Procedures Manual does not reference the new role of SPO and the new Chief Procurement Officer (CPO) position. ASRS has a separate P-Card Manual with instructions on how to use P-Cards. While this manual provides the procedures for various types of procurements, it is lacking in the background policy needed to guide the procedures.
2. The ASRS Procedure Manual does not address the need for all procurement personnel to have their Annual Procurement Disclosure Statement (PDS) in place. Regulations require proof of implementation.

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Additionally, the current Procedures Manual does not address how to develop the specifications and scope of work needed for solicitations. This would help staff with the basics of: Who would be qualified to provide or deliver this; What material or specialized service is needed; What is the anticipated volume; What does the vendor need to know to respond well; When is it needed by; How will it be used; How much volume will there be; Should this be open to other agencies. The majority of the manual is how to navigate and use their financial software, MUNIS.

3. Written instructions are not found within the Procedures Manual regarding instructions on contract administration and procurement file management in ProcureAZ. In early 2014 the Agency moved from paper to electronic and to uploading onto ProcureAZ.
4. Written instructions on how to dispose of agency surplus property within the Procedures Manual were non-existent.
5. PGPC found that the Procedures Manual is not updated regularly.

Recommendations:

1. Procedures Manual: ASRS should to revise their procurement Procedures Manual to include policy and updates to their procedures, and incorporate the ASRS specific instructions that supplement the general instructions of the Arizona Procurement Code (APC), SPO Technical Bulletins, and Standard Procedures.
 - The manual should reflect SPO management guidelines regarding topics such as: document standards, procurement ethics, procurement certifications, reporting unethical behavior, quality control of contract files at end of solicitation, guidelines for selecting evaluators, and the use of Requests for Information (RFI) for complex solicitations.

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- Incorporate the separate P-Card Manual with instructions on how to use P-Cards into the revised Policy and Procedure Manual, written instructions on how to dispose of agency surplus property within the revised Policy and Procedures Manual.
 - Include written instructions on contract administration and procurement file management in ProcureAZ into the revised Policy and Procedure Manual. A focus needs to be placed on Document Standards using the correct naming conventions so that there is consistency and transparency.
- 2. Training:** The CPO develop and deploy an in-depth training program on items within the manual that will reinforce the revised and updated Procurement Policies and Procedures Manual; disseminate the information, and then review the program with the staff. The need for standardization and compliance will be reinforced through these recommendations.

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Document Standards

Document Standards prescribed by SPO Standard Procedure #006 provides a list of required documents which shall be located, as applicable, in the solicitation and contract files, as well as the naming conventions associated with each document. These standards assist both the procurement officer in document management and the public in viewing the solicitation and contract files. These standards also help reduce procurement officer reliance of memory regarding which documents must be made available to public view. While the Arizona Procurement Code defines the procurement file as the official records file is either electronic or paper, Standard Procedure #006 addresses the electronic upload of documents into ProcureAZ.

ASRS utilizes ProcureAZ to solicit all Request For Quotations, Information For Bids, and Request For Proposals, and to maintain solicitation and contract files. Nine solicitations and contracts were selected for review. The reviewed files included two requests for quotations (RFQ), one invitation for bid (IFB), and five requests for proposals (RFP). One Emergency Procurement was also reviewed. Each of the nine had specific concerns as noted on the Compliance Criteria for Contract worksheet documents that follow.

Findings:

1. **Naming Conventions:** For nine of nine files reviewed, the documents electronically loaded to their respective solicitation or contract files did not follow the naming conventions prescribed by the Standard Procedure #006. (6.2A, 6.3A, 6.3B, 6.3C, 6.3G, 7.3A)
2. **Certificates of Insurance:** For nine of nine files reviewed, no certificate of insurance (COI) was attached to the file of record for public view. (6.2A, 6.3A, 6.3C, 6.3H, 7.3A) Since our on-site visit the Agency has worked to become compliant in this area.

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3. **Determinations:** For four of the nine files reviewed, appropriate signed determinations were lacking. (6.1A, 6.3A, 7.3A)
4. **Affidavit of Publication:** None of the applicable ProcureAZ files contain the affidavit of newspaper publication. (6.3A, 6.3C, 6.3G)
5. **ProcureAZ Files:** Every solicitation reviewed was missing documents such as: solicitation document components; Significant Procurement Role declaration; signed Procurement Disclosure Statements for evaluators or others who have a significant procurement role, evaluation reports, and certificates of insurance.
6. **Required Contract Documents:** The individual solicitation worksheets document irregularities and instances of non-compliance such as the lack of distribution lists that should have been a part of the old paper procurement files, such as the Certificates of Insurance, the lack of summary score attachments, as well as a contract being effective prior to offer being signed by CPO.

Recommendations:

1. **Standard Procedure #006:** At a minimum, the files selected in this Procurement Performance Review should be updated, where possible, by attaching the identified non-confidential documents to the contract file. Additionally, all future files should conform to the Standard Procedure #006.
2. **Training:** Standard Procedure #006 and the Arizona Procurement Code each provide a comprehensive list of documents which shall be included in the procurement file. ASRS would benefit from receiving staff training to address the Standard Procedure #006 and the Arizona Procurement Code to ensure clear understanding of public disclosure of all non-confidential documents.

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It is recommended that Document Standards training be obtained by all procurement staff, i.e. PAZ000210C - SOLICITATIONS & CONTRACT MGMT to assist the ASRS staff with basic instruction for creating and awarding a bid with follow-up on contract management in ProcureAZ. After training, the Document Standards should be incorporated into the ASRS Procurement Manual as well as incorporated into the previously recommended checklist for solicitations.

3. **Checklist:** ASRS would benefit from developing and implementing a document checklist used to confirm that each applicable document is attached to each contract file. Additionally, the recommendation is made that ASRS implement an internal quality control review of contract files at completion of solicitation by a certified colleague within the Agency.

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Finding, Recommendations, Noteworthy Practices

Promoting Effective Competition

The State of Arizona and its people expect business in the public sector to be conducted ethically, displaying honesty, integrity, diligence, fairness, trust, and respect when dealing with others. During procurement, ethical adherence is commonly associated with the practice of adopting and following well considered and sound procedures that correspond to the rules and regulations that govern each type of procurement. Open competition promotes the kind of transparency that ensures the process works at its highest level. When public sector entities approach the market to buy property or secure a service, they have a responsibility to obtain value for money as directed in the Arizona Procurement Code.

“Laws 1984, Ch. 251, 1 and 40 provide: Section 1 Purpose #3-8.

3. Make as consistent as possible the procurement laws among various state agencies.
4. Provide for increased public confidence in the procedures followed in public procurement.
5. Ensure the fair and equitable treatment of all persons who deal with the procurement system of this state.
6. Provide increased economy in state procurement activities and maximize to the fullest extent practicable in purchasing value of public monies of this state.
7. Foster effective broad-based competition within the free enterprise system.
8. Provide safeguards for the maintenance of a procurement system of quality and integrity.”

State statutes also call for adequate public notice of the Invitation for Bids shall be given a reasonable time before the date set forth in the invitation for the opening of bids, in accordance with rules adopted by the director.

ASRS Procurement Performance Review

Finding, Recommendations, Noteworthy Practices

Findings:

1. In five solicitations, non-incumbents vendors were at a disadvantage because ASRS did not detail the volume of work nor was the scope of work clearly defined in its solicitations. Therefore they did not have a sense of the needs of the Agency.
2. As stated on the previous page, Laws 1984, Ch. 251, 1 and 40 provide: Section 1 Purpose #7- Foster effective broad-based competition within the free enterprise system, ASRS issued two major dollar value solicitations where practices did not promote fairness and competition as the timeframes did not provide adequate response time. One IFB solicitation was opened and closed within seven days. This was not a “reasonable timeframe” given the scope of the project. This is not only a compliance issue but there simply is not enough time to put an adequate response package together by prospective vendors. Another solicitation was released and the pre-conference was seven days later. The solicitation response was due a month later but more than 20 exhibits were released in the intervening days before the due date. These exhibits contain complicated data that needed to be analyzed in order to respond. This RFP did not provide a “reasonable timeframe” from the last amendment to the due date and does not promote fair and open competition. Additionally, these exhibits were needed in previous solicitation of this commodity and therefore should have been prepared prior to the release on ProcureAZ.
3. As stated on the previous page, Laws 1984, Ch. 251, 1 and 40 provide: Section 1 Purpose #5- Ensure the fair and equitable treatment of all persons who deal with the procurement system of this state. When the situation of releasing so much data after the initial posting of the RFP described in #2 above, the CPO “may” and probably should have extended the due date if in best interest of the state per R2-7-B303. Solicitation Amendment, #4. Extend the offer due

ASRS Procurement Performance Review

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date and time if the agency chief procurement officer determines that an extension is in the best interest of the state.

4. PGPC's review revealed a lack of controls with regard to transparency of the procurement procedures and audit trail such as the publication of solicitations. The lack of policies and guidelines governing the ASRS contracting processes implicate a failure to enforce some provisions of Arizona Procurement Code.
5. Record keeping was an issue with every solicitation reviewed. Missing documents included: solicitation document components, submitted bids, evaluation report and contract documents, and certificates of insurance. See Law, Section 1, Purpose #4 on page 18. This practice does not provide safeguards for the maintenance of a procurement system founded on quality and integrity.

Recommendations:

1. **Timelines:** It is recommended that training be obtained to assist the ASRS staff with building better timelines and details of volumes for their solicitations. Additionally, ASRS would benefit by forecasting needs in a timelier manner. These strategies will help foster effective broad-based competition.
2. **Publish when Complete:** ASRS should not publish solicitations until all data, history, and other significant data that should be made accessible at the time of the release are available in order that all vendors are on an equal footing. This will address the need to ensure the fair and equitable treatment of all persons who deal with the procurement system of this state.
3. **Review Drafts:** Develop a "review process to ensure reasonable timelines are projected. Future solicitations should not be advertised until they have been fully drafted with

ASRS Procurement Performance Review

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support documentation, then reviewed and appraised by a certified procurement professional. This will promote broad-based competition, not favor the incumbent as well as ensure reasonable timelines are projected.

4. **Training:** All staff need training on the minimum requirements of solicitations, the files, as well as best practices for greater completion in public entity solicitations.

ASRS Procurement Performance Review

Conclusion

All the NIGP certified personnel at the Arizona State Retirement System (ASRS) wear multiple hats, and as such, procurement is only a portion of their daily activities. A review should be conducted to see if a restructured department would be conducive to a focused procurement department.

Through implementing the recommended areas of improvement and greater transparency the ASRS will enhance processes and reduce future risk of non-compliance. The recommended areas of improvement include:

1. The Standard ISA should be signed and be agreed to provide the CPO with the authority and responsibility of the position.
2. Delegation of Procurement Authority requirements should be addressed.
3. Development of a Procurement Policy and Procedures Manual that supplements the APC, SPO Technical Bulletins, and Standard Procedures, which are specific to the needs, processes, and the delegated authority of the ASRS.
4. A checklist for the procurement processes of IFB, RFP, and RFQ should be developed to document the process and verification of work by a second person.
5. Document standards should be addressed and understood by all ASRS procurement staff.
6. Practices that do not promote fairness and competition *must* (emphasis added) be halted immediately and addressed. This will require training and effective oversight.
7. Training for all, not only to meet the minimum standards, but for comprehension of the requirements of each type of solicitation process.

Finally, it is recommended ASRS management review all actionable recommendations contained within the worksheets herein.

**State of Arizona
State Procurement Office
Arizona State Retirement System
Performance Review**

State Agency: ASRS

State Agency Delegated Authority: \$ Unlimited

The following criteria were considered in the procurement performance review process in compliance with AZSPO Technical Bulletin No. 3, Procurement Compliance Reviews – Phase 2 (Organizational Chart, Purchasing Policy and Procedures Manual, List of Delegated Employees, and other documents as requested).

Item No.	Compliance Criteria					
1.0	Purchasing Organization	N/A	Yes	No	Requires Action	Comments
1.1	Does the procurement office have an accurate organizational chart that shows current employee designation?			N		Titles on Organizational Chart do not match training level for some individuals.
1.2	Does the procurement office have a Chief Procurement Administrator (CPO) signed delegated procurement authority on file?		Y		R/A	Delegated procurement authorities were just signed October 6, 2014. Was not done in a timely manner. The CPO had not delegated procurement authority document until October although she has held the position 18 months.
1.3	Have procurement personnel completed necessary training applicable to delegated authority? (TB #002)			N	R/A	Only one of the procurement personnel completed their 20 hours of training in the past year. (The majority of this individual's training, 16 hours, was not specific to procurement.) There was also no specific ethics training as required.
1.4	Are the employees listed on the organizational chart assigned full-time procurement and contracting duties?			N		Russ Levine is half-time Procurement Manager and half-time Budget Manager. Bruce Pampel is part time Procurement Tech and part-time building management contact.
1.5	Does the agency have a well-documented process for adding/deleting/modifying delegated authority in ProcureAZ?			N	R/A	No such process was identified during this review.

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State Procurement Office
Arizona State Retirement System
Performance Review**

2.0	Purchasing Policies and Procedures Manual					
2.1	Does the agency have a purchasing policies and procedures manual and/or solicitation checklist?			N	R/A	ASRS has a Procedure Manual that does not address any policy. The CPO provided an outdated solicitation checklist. An additional checklist was provided for scanning paper files into Microsoft One Note.
2.2	Is the agency's purchasing policies and procedures manual current and in compliance with the Arizona Procurement Code (APC), applicable executive orders and SPO Technical Bulletins (TB)?			N	R/A	The Procedure Manual has not been updated since April 2010, and does not address ethics, changes in the procurement code or changes since the Agency's CPO became an employee of SPO and all of those requirements.
2.3	Does the agency's manual provide comprehensive instruction on the following?					
2.3.1	Description of the purchasing cycle			Y		
2.3.2	Roles and delegation assignments of procurement personnel			N	R/A	The Procedure Manual has not been updated since April 2010. It does not address ethics, changes in the procurement code as well as the changes in the Agency's procurement structure and delegation since the CPO became a SPO employee.
2.3.3	Agency-specific instructions on how to process purchase requisitions and purchase orders		Y			
2.3.3.1	Instructions on how to process purchase orders and contract releases issued in ProcureAZ	N/A				Agency uses Munis software for PO's.
2.3.4	Instructions on how to use the agency's procurement system		Y			

**State of Arizona
State Procurement Office
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2.3.5	Instructions on how to prepare specifications and scopes of work			N	R/A	The instructions focus only on how to finalize specifications and SOW, not on how to prepare them.
2.3.6	Instructions on how to process sole source, limited competition, and emergency procurements (Unlimited within authority; Limited to SPO)		Y			
2.3.7	Instruction on how to conduct solicitations, as applicable to agency delegated authority (e.g. IFB, RFP, RFQ)		Y			
2.3.8	Instructions on contract administration and procurement file management			N	R/A	Written instructions are not found within the ASRS manual. In 2014 the Agency has been moving from paper to electronic and to uploading onto ProcureAZ.
2.3.9	Instructions on set-aside purchasing			N	R/A	Written instructions are not found within the ASRS manual. It should be noted that ASRS is using set-aside contracts annually.
2.3.10	Instructions on submitting agency procurement reports (e.g. changes in delegated personnel, set-aside program, Compliance with Arizona Legal Workers Act, etc.)			N	R/A	Written instructions are not found within the ASRS manual.
2.3.11	Instructions on how to process cooperative purchasing (TB #005)		Y			
2.3.12	Instructions on how to use P-Cards		Y		R/A	ASRS has a separate P-Card manual.
2.3.13	Instruction on how to dispose of agency surplus property			N	R/A	Written instructions are not found within the ASRS manual.
2.3.14	Procurement ethics (TB #001)			N	R/A	ASRS has procedures but no policies (including ethics) within its manual.
2.4	Are employees complying with the agency's established purchasing policies and procedures manual?			N	R/A	Unable to comply as there are no established policies available.

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3.0	Agency Reporting Requirements					
3.1	Is annual list of all agency personnel current and accurate? (SPO TB #002)		Y			
3.2	Were agency procurement personnel delegation changes reported within five working days to SPO? (see agency delegation agreement)			N	R/A	Delegations were updated and therefore compliant as of October 6, 2014.
3.3	Are all agency requisitions, purchase orders, receipts, formal and informal solicitations and contract administration conducted on ProcureAZ? (PDS signed for all 10K+ open market requisitions)? (See agency delegated authority)	N/A				
3.4	Are quarterly sole source, emergency and competition impracticable procurement reports to SPO timely and accurate [if applicable – see Delegated Procurement Authority]? (ARS §41-2536, §41-2537, SPO TB #041)		Y			
3.5	Are procurement protests, claims, decisions and agency reports submitted to SPO within five days of receipt or completion? (See agency delegation on administrative actions)	N/A				No protests; however, CPO walked through the process during the meetings.
3.5.1	Does agency CPO make written determination to either proceed with award or stay all, or part, of the procurement – providing copies of determination to SPO and interested parties? (R2-7-A902)	N/A				
3.5.2	If a stay was issued, did Director dismiss the stay either to protect the substantial interest of the state, if the appeal did not state a valid basis for the protest, if the appeal was untimely, or if the appeal	N/A				

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3.5.2 Cont'd	attempted to raise issues not raised in the protest?					
3.6	Is the agency endeavoring to set aside one percent of new purchases to set-aside contractors? (ARS §41-2636 and SPO #004)		Y			
3.7	Is agency verifying employment records of contractors and subcontractors, as per randomly selected by SPO? (ARS §41-4401, Executive Order 2005-30, and SPO SP #001)			N	R/A	Documentation of this was not found within the procurement files.
4.0	Procurement Personnel Training and Delegation					
4.1	Does the agency provide in-house procurement training and mentoring programs for newly-hired procurement personnel?			N	R/A	An informational, collaborative meeting happens every Thursday. Its major focus is to update staff on status of projects and timelines. There appears to be a general lack of training; both formal and informal. The most recently hired employee (Maurah) was proactive and chose to take procurement training before applying for the position. Otherwise, her training was described as "on the job while organizing old procurement files". There appears to be no other in-house training or mentoring.
4.2	Do procurement personnel undergo procurement training to enhance proficiency and professional status of procurement? (TB #001 and TB #002)			N	R/A	Multiple staff members stated that they are encouraged and supported in this area by the Agency. However, staff may not be taking advantage of this support and must be willing to invest more time to be compliant in the area.
4.3	Are agency procurement managers certified by a public procurement organization (NIGP, ISM, etc.) (TB #001 and TB #002)?		Y			
4.4	Is agency procurement staff certified by a public procurement organization		Y			

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	(NIGP, ISM, etc.) (TB #001 and TB #002)?					
4.5	Are the agency's delegated procurement personnel taking the required twenty (20) hours of procurement training each year?			N	R/A	Staff lags in training hours across the board. Multiple staff members stated that they are encouraged and supported in this area by the Agency. However, staff may not be taking advantage of this support and must be willing to invest more time to be compliant in the area.
4.6	Did the agency CPO sub-delegate procurement authority to agency procurement personnel in writing? (R2-7-203)		Y		R/A	CPO reached compliance during the Performance Review but needs to keep this current.
4.7	Do agency sub-delegations include specific activities, functions, and limitations? (TB #002; Delegated Procurement Authority)		Y			
4.7.1	Are staff delegated amounts in line with duties and title? (TB #002; Delegated Procurement Authority)			N	R/A	One new staff member does not yet have the training for the title she holds. It should be noted, that she has no delegated amounts as of yet. As mentioned above there appears to be no in-house training or mentoring which would be beneficial to all. Another staff member has no delegated amount but all of the duties and title.
4.8	Were procurement personnel adequately trained prior to being granted procurement delegation by the agency CPO (TB #002; Delegated Procurement Authority)			N	R/A	The newest member does not have sufficient training.
5.0	Procurement Internal Controls					
5.1	Does the agency provide procurement staff ethics training as outlined by SPO?			N	R/A	No ethics training is being provided. There is no policy on ethics either, as the current manual is devoted to procedure.

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5.2	Does the agency have a procedure or policy for dealing with unethical behavior?			N	R/A	The Agency has no procedure or policy in place at this time to address unethical behavior.
5.3	Are any of the agency's procurement personnel or staff employed in secondary work that potentially conflicts with their ability to perform their procurement function, as must be disclosed per HR Conditions of Employment R2-5A-503? (SPO TB #001)			N		
5.4	Does the agency have internal systems of control to guard against employee or public officer purchase of materials or services for their own personal, or business, use from contracts entered into by the state? (R2-7-204)		Y			
5.5	Does agency have on file Annual Procurement Disclosure Statements for all employees, whose regular responsibilities include: Soliciting quotes greater than \$10,000 for the provision of materials, services, or construction; Issuing open market purchase orders with department buyer or basic purchasing roles in ProcureAZ; and, making decisions on protests or appeals by a party regarding an agency procurement selection or decision? (SPO SP #003)		Y			CPO reached compliance in July 2014 in this area. Some staff reported this was the first year the document had been provided for them to sign.
5.5.1	Has agency director waived Annual Procurement Disclosure Statements for any employees?			N		
5.6	Are responsibilities divided between different employees so one individual does not control all aspects or procurement?			N	R/A	There is evidence that there is no collaborative review of the CPO's work occurring, either from other procurement personnel, third party consultants or SPO.
5.7	Upon receipt of a submission, and CPO		Y			

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	written determination, is the procurement office adequately safeguarding confidential information? (R2-7-103)					
5.8	Are contract files kept safe from tampering by unauthorized personnel?		Y			
5.9	Are there procedures in place to safeguard contract files during file reviews or when the public accesses the agency's procurement records?		Y			
5.10	Does the agency routinely check statewide contracts and state set-asides prior to issuing an open-market requisition? (Delegated Procurement Authority and SPO TB #004)		Y			
5.11	Does the office regularly monitor agency P-Card purchases? (SPO TB #040)		Y			
5.12	Does the agency maintain adequate contract records to facilitate auditing by the State? (ARS §41-2548)			N	R/A	There are multiple problems surrounding correctly uploading and management of contract records on ProcureAZ. Additionally the files are not fully documented. Items such as evaluation rubrics, summary scores, evaluation committee members, vendor notification lists were not found within the files.
5.14	Other than ADOA's state financial system, does the agency have any other system of collecting financial data?		Y			

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5.15	Does the agency's internal audit conduct regular audits on procurement transactions?			N	R/A	Per information from the CPO "The ASRS Internal Auditor stated that there has not been an audit conducted of the Procurement Division in close to five years, however we are listed for a possible audit in the next biennial audit plan (2016/17), which will be presented to the Trustees in May".
5.16	Were any finance or purchasing-related audits or reviews conducted within the past two years?			N	R/A	See 5.15
5.17	Did agency management comply with the recommendations and corrective actions in the audit report listed in 5.16?	N/A				
5.18	Cooperative Contracts (TBD 9/14)					
5.18.1	Does the office practice due diligence in selection of cooperative contracts – cooperative contract complies with requirements of 41-2533, 41-2534, 41-2535, TB #005?	N/A				
5.18.2	CPO performs cost analysis to determine best value? (R2-7-702)	N/A				
5.18.3	CPO reviews contract terms and conditions? (R2-7-####)	N/A				
5.18.4	Office verifies vendor has capacity and willingness to extend contract to the state? (R2-7-####)	N/A				
5.18.5	Cooperative contracts are lesser of 25% or original contract or \$500k? (R2-7-####)	N/A				
5.18.6	Office verifies if State Contract already exists? (R2-7-####)		Y			

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Item No.	Recommendations	Assigned to	Estimated Completion
1.2	A proactive procedure should be put into place to track required staff documents and training.	CPO	30 days
1.3	All procurement division staff must complete required 20 hour training within the fiscal year time frame.	All Procurement Staff	June 30, 2015
1.5, 2.1, & 2.2, 2.4	The current Procedure Manual should be reviewed and revised to reflect the multiple changes that have occurred since last updated in April 2010. A Policies Section should be established and included into the manual so that the Agency has a complete Policies AND Procedures Manual for reference.	CPO	First draft to SPO within six months. One year for final manual.
2.3.2 and 4.7.1	The roles and delegation assignments need to be aligned to levels of training. This also needs to be addressed in the revised Policy and Procedure Manual.	CPO	By June 30, 2015
2.3.5	The process used to develop specifications that reflect the end-users needs and a scope of work to assist proposers in their response needs to be drafted. This also needs to be addressed in the revised Policy and Procedure Manual.	CPO	Draft in 60 days or prior to the release of another formal solicitation.
2.3.8	The current Procedure Manual should be revised to include contract management and procurement file management.	CPO	Draft of this issue within 30 days.
2.3.9	The current Procedure Manual should be reviewed and revised to reflect the multiple changes that have occurred since last updated in April 2010. Detailed instructions on set-aside purchasing should be included in the next revision of the Procedure Manual.	CPO	First draft to SPO within six months. One year for final manual.
2.3.10	The current Procedure Manual should be reviewed and revised to reflect the multiple changes that have occurred since last updated in April 2010. Policies should be established and included into this manual so that the Agency has a complete Policies AND Procedures Manual for reference.	CPO	First draft to SPO within six months. One year for final manual.
2.3.12	The current instructions on how to use P-Cards should be reviewed and incorporated into the new Policy and Procedure Manual.	CPO	First draft to SPO within six months. One year for final manual.
2.3.13	The Agency must draft instructions on how to dispose of Agency surplus property.	CPO	Prior to dispose of any surplus

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			property or first draft to SPO within six months. One year for final manual.
2.3.14 and 5.2	The Agency should immediately draft a Procurement Ethic Policy and complete a Policies AND Procedures Manual for reference.	CPO	Draft of this issue within 30 days.
3.1	A proactive procedure should be put into place to track required staff documents and training.	CPO	30 days
3.2	The CPO should develop a master checklist of requirements and how often they must be addressed.	CPO	30 days
3.7	The Agency must verify employment records of contractors and subcontractors as required and have accurate information uploaded onto ProcureAZ.	CPO	30 days
4.1	The Agency (especially the CPO) must provide ongoing procurement training and mentoring to new AND current personnel.	CPO	90 days
4.2 and 4.5	Staff must be willing to invest more time for training to become increasingly proficient in procurement. Each staff member should document how they will achieve 20 hours of procurement training prior to June 30, 2015.	All Procurement Staff	60 days
4.6	CPO should develop a proactive procedure and put it into place to track required staff documents and training.	CPO	30 days
4.8	All future personnel must be adequately trained prior to being granted procurement delegation. This should be addressed in the Policy and Procedures Manual.	CPO	First draft to SPO within six months. One year for final manual.
5.1	The CPO should provide ongoing ethics training to procurement staff as outlined by SPO.	CPO	90 days
5.6	The CPO should develop a checklist for each step of the procurement process. So that no one person has control of all aspects of the process, everyone's work, including the CPO's must be reviewed for compliance and best practice prior to release. This should include the signature of the reviewer and included within the miscellaneous document kept with each file.	CPO	Prior to the release of any new solicitation or first draft within 45 days.
5.12	The ASRS staff should receive contract records and contract management training and additional training in ProcureAZ. This is another area that needs to be addressed in the solicitation checklist as	CPO	Prior to the release of any new solicitation or first

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	well as the Policy and Procedures Manual.		draft within 90 days.
5.15	Internal audits should be routine. Staff should at a minimum cross-check list for each solicitation that will address correct process and procedures prior to award and upload.	CPO	Prior to the release of any new solicitation or first draft within 90 days.

State of Arizona
Arizona State Retirement System (ASRS)
RFQ Drupal Managed Web Hosting Service Review

REQUEST FOR QUOTATIONS (RFQ)	COMPLIANCE CRITERIA
Solicitation or Contract Number:	ASRS14-00003748
Contract Title or Description:	Drupal Managed Web Hosting Service
Contract Estimated Amount:	1 st Year: \$52,408.00 2 nd Year: \$47,408.00
Name of Procurement Officer:	Shireen Boone

6.1	Request for Quotations (RFQ)	N/A	Yes	No	Requires Action	Comments
6.1.1	Is there a Procurement Request, in writing, on file (Requisition (ProcureAZ/Email/Other)? (R2-7-205)		Y			
6.1.2	Should a set-aside or statewide contract been considered / used?			N		State contract for web system was considered but did not meet ASRS needs
6.1.3	Was this procurement performed by an authorized procurement officer within his/her delegated authority? (R2-7-206)		Y			
6.1.4	Is there any evidence that this was artificially divided or fragmented so as to circumvent this section? (ARS§ 41-2535.C)			N		
6.1.5	Does the RFQ include a statement that only a small business as defined in R2-7-101, shall be awarded a contract? (R2-7-D302)		Y			
6.1.5.1	If RFQ was not awarded to a small business, is there a determination in file that less than three small businesses are registered, or that restricting procurement to small business is not practical under the circumstances? (R2-7-D302)		Y			
6.1.6	Does the RFQ include the following (R2-7-D302.A):					
6.1.6.1	Offer submission requirements, including offer due date and time, where offers will be received, and offer acceptance period		Y			It should be noted that the RFQ was released 1/9/2014 and due 1/21/14 (not best practice of 14 days)
6.1.6.2	Any purchase description, specifications, delivery or performance schedule, and inspection and acceptance requirements.		Y			

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Arizona State Retirement System (ASRS)
RFQ Drupal Managed Web Hosting Service Review

6.1.6.3	The minimum information that the offer shall contain		Y			
6.1.6.4	Any evaluation factors		Y			
6.1.6.4.1	Is conflict of interest disclosure in file for any / all non-employee evaluators				R/A	Could not be determined as contract documents do not include who served on Evaluation Committee.
6.1.6.5	Whether negotiations may be held		Y			
6.1.6.6	The uniform terms and conditions by text or reference		Y			
6.1.6.7	The term of the contract, including language for any applicable option for contract extension (ProcureAZ Max/Control)		Y			
6.1.7	Was the RFQ distributed to a minimum of three small businesses? (R2-7-D302)				R/A	Could not be determined as the distribution list was not available on ProcureAZ.
6.1.8	Are Procurement Disclosure Statements in file for all employees who participated in the development of the procurement, evaluation tool, served as technical advisors or evaluators, recommended or selected a vendor, or who approved sole source or competition impracticable? (SPO SP# 003)				R/A	Could not be determined as all contract documents not available on ProcureAZ.
6.1.8.1	Did the agency director, or designee, inform employees when the first PDS was signed, and notify the State Procurement Administrator? (SPO SP# 003)		Y			
6.1.9	Is there a written basis for the award on file? (R2-7-D304)		Y			
6.1.10	At the time of the award, does a procurement file (either paper or electronic) exist, containing a list of notified vendors, final solicitation, non-disclosure statements, solicitation amendments, bids and offers, offer revisions, Best and Final Offer, negotiations, clarifications, final evaluation report, award determinations, and additional information requested by agency CPO as approved by SPA? (R2-7-101(37))			Y		
6.1.10.1	Does the file contain adequate justification for multiple awards, or otherwise obtained SPA authorization? (R2-7-608)	N/A				

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Arizona State Retirement System (ASRS)
RFQ Drupal Managed Web Hosting Service Review

6.1.11	Procure AZ					
6.1.11.1	Is total spend limit locked in Control Tab?	N/A				
6.1.11.2	Bidders – General Tab: Is Bid Holder List hidden from Vendors? (preventing collusion)		Y			
6.1.12	Contract Administration					
6.1.12.1	Are contract records complete and available for public inspection? – note “persons with disabilities” (ARS §41-2533; SP#006)			N	R/A	All contract documents not available on ProcureAZ.
6.1.12.2	Is there a valid and current Certificate of Insurance on file? (if applicable) (ARS§ 41-2573)			N	R/A	Certificate of Insurance is not available on ProcureAZ.
6.1.12.3	Are the amounts on the Certificate of Insurance consistent with the contract requirements? (ARS §41-2573)				R/A	Could not be determined as Certificate of Insurance is not available on ProcureAZ
6.1.12.4	Are documents named and uploaded to ProcureAZ following the naming conventions outlined in SPO SP# 006?			N	R/A	The ProcureAZ naming conventions were not used; preventing consistency for vendors and other users and decreasing uniform organization.
6.1.12.5	For multi-term contracts, are there written determinations of extension in the contract files (>5 years)? (R2-7-605 paragraphs A-C)	N/A				1 st year of contract ends 1/25/2015

Item No.	Recommendations	Assigned to	Estimated Completion
6.1.6.4.1 and 6.1.8	Evaluation documents and conflict of interest disclosure documents should be included in the procurement file on ProcureAZ.	CPO	90 days
6.1.7	The distribution list should be a part of the procurement file.	CPO	90 days
6.1.12.1	The ASRS must have contract records complete and available for public inspection within 10 days of award.	CPO	90 days

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RFQ Drupal Managed Web Hosting Service Review

6.1.12.2 &6.1.12.3	The Certificate of Insurance should be included in the procurement file on ProcureAZ.	CPO	90 days
6.1.12.4	ASRS needs to be trained on the requirements of naming conventions and what is required to be in the complete solicitation and contract records	All Procurement Staff	90 days

State of Arizona
Arizona State Retirement System (ASRS)
RFQ Rule Writing Services Review

REQUEST FOR QUOTATIONS (RFQ)	COMPLIANCE CRITERIA
Solicitation or Contract Number:	ASRS14-00003695
Contract Title or Description:	Rule Writing Services
Contract Estimated Amount:	\$5,000.00
Name of Procurement Officer:	Scott Gelger

6.1	Request for Quotations (RFQ)	N/A	Yes	No	Requires Action	Comments
6.1.1	Is there a Procurement Request, in writing, on file (Requisition (ProcureAZ/Email/Other)? (R2-7-205)		Y			
6.1.2	Should a set-aside or statewide contract been considered / used?	N/A				
6.1.3	Was this procurement performed by an authorized procurement officer within his/her delegated authority? (R2-7-206)		Y			
6.1.4	Is there any evidence that this was artificially divided or fragmented so as to circumvent this section? (ARS§ 41-2535.C)			N		
6.1.5	Does the RFQ include a statement that only a small business as defined in R2-7-101, shall be awarded a contract? (R2-7-D302)		Y			
6.1.5.1	If RFQ was not awarded to a small business, is there a determination in file that less than three small businesses are registered, or that restricting procurement to small business is not practical under the circumstances? (R2-7-D302)	N/A				Was awarded to a small business
6.1.6	Does the RFQ include the following (R2-7-D302.A):					
6.1.6.1	Offer submission requirements, including offer due date and time, where offers will be received, and offer acceptance period		Y			
6.1.6.2	Any purchase description, specifications, delivery or performance schedule, and inspection and acceptance requirements.		Y			

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RFQ Rule Writing Services Review

6.1.6.3	The minimum information that the offer shall contain		Y			
6.1.6.4	Any evaluation factors		Y			
6.1.6.4.1	Is conflict of interest disclosure in file for any / all non-employee evaluators				R/A	Could not be determined as contract documents do not include who served on Evaluation Committee.
6.1.6.5	Whether negotiations may be held	N/A				
6.1.6.6	The uniform terms and conditions by text or reference		Y			
6.1.6.7	The term of the contract, including language for any applicable option for contract extension (ProcureAZ Max/Control)		Y			
6.1.7	Was the RFQ distributed to a minimum of three small businesses? (R2-7-D302)				R/A	Could not be determined as the distribution list was not available on ProcureAZ.
6.1.8	Are Procurement Disclosure Statements in file for all employees who participated in the development of the procurement, evaluation tool, served as technical advisors or evaluators, recommended or selected a vendor, or who approved sole source or competition impracticable? (SPO SP# 003)		Y			
6.1.8.1	Did the agency director, or designee, inform employees when the first PDS was signed, and notify the State Procurement Administrator? (SPO SP# 003)		Y			
6.1.9	Is there a written basis for the award on file? (R2-7-D304)		Y			
6.1.10	At the time of the award, does a procurement file (either paper or electronic) exist, containing a list of notified vendors, final solicitation, non-disclosure statements, solicitation amendments, bids and offers, offer revisions, Best and Final Offer, negotiations, clarifications, final		Y			

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Arizona State Retirement System (ASRS)
RFQ Rule Writing Services Review

	evaluation report, award determinations, and additional information requested by agency CPO as approved by SPA? (R2-7-101(37))					
6.1.10.1	Does the file contain adequate justification for multiple awards, or otherwise obtained SPA authorization? (R2-7-608)	N/A				
6.1.11	Procure AZ					
6.1.11.1	Is total spend limit locked in Control Tab?	N/A				
6.1.11.2	Bidders – General Tab: Is Bid Holder List hidden from Vendors? (preventing collusion)		Y			
6.1.12	Contract Administration					
6.1.12.1	Are contract records complete and available for public inspection? – note “persons with disabilities” (ARS §41-2533; SP#006)		Y			
6.1.12.2	Is there a valid and current Certificate of Insurance on file? (if applicable) (ARS§ 41-2573)	N/A				
6.1.12.3	Are the amounts on the Certificate of Insurance consistent with the contract requirements? (ARS §41-2573)	N/A				
6.1.12.4	Are documents named and uploaded to ProcureAZ following the naming conventions outlined in SPO SP# 006?			N	R/A	The ProcureAZ naming conventions were not used; preventing consistency for vendors and other users and decreasing uniform organization. The Amendment I and Summary Score attachments are missing from ProcureAZ
6.1.12.5	For multi-term contracts, are there written determinations of extension in the contract files (>5 years)? (R2-7-605 paragraphs A-C)	N/A				1 st year of contract ends 3/2015

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Arizona State Retirement System (ASRS)
RFQ Rule Writing Services Review

Item No.	Recommendations	Assigned to	Estimated Completion
6.1.6.4.1 & 6.1.8	Evaluation documents and conflict of interest disclosure documents should be included in the procurement file on ProcureAZ.	CPO	90 days
6.1.7	The distribution list should be a part of the procurement file.	CPO	90 days
6.1.11.1	Upload all required contract documents onto ProcureAZ using the correct naming conventions.	CPO	90 days
6.1.12.4	ASRS needs to be trained on the requirements of naming conventions and what is required to be in the complete solicitation and contract records.	All Procurement Staff	90 days

State of Arizona
Arizona State Retirement System (ASRS)
IFB Newsletter Printing & Mailing Review

Invitation for Bids (IFB)	COMPLIANCE CRITERIA
Solicitation or Contract Number:	ASRS14-00004148
Contract Title or Description:	Financial Horizon Newsletter – Printing & Mailing
Contract Estimated Amount:	\$46,275.14
Name of Procurement Officer:	Bruce Pampel

6.2	Invitation for Bids (IFB)	N/A	Yes	No	Requires Action	Comments
6.2.1	Is there a Procurement Request, in writing, on file (Requisition (ProcureAZ/Email/Other)? (R2-7-205)		Y			
6.2.2	Should a set-aside or statewide contract been considered / used?			N		
6.2.3	Was this procurement performed by an authorized procurement officer within his/her delegated authority? (R2-7-206)			N		The offer was signed by the CPO on 7/9/2014; however it was effective 7/7/2014.
6.2.4	Was there adequate notice, a minimum of 14 days before bid opening, of the IFB in a newspaper? (Services shall, commodities may – excluding professional / construction)? (ARS §41-2533.C., R2-7-B301)		Y			Released 5/9/2014 Due 5/30/2014 Advertisement in newspaper 4/30/2014
6.2.5	If a Pre-Offer Conference was conducted, was it held a reasonably sufficient time before the offer due date? (R2-7-B302; TB# 043)	N/A				
6.2.6	Does the solicitation include the most recent edition of Uniform Instructions and Uniform Terms and Conditions issued by SPO – SPO Website: http://spo.az.gov ? (R2-7-B301 and R2-7-C301)		Y			
6.2.7	Does the solicitation include instructions to offerors including: (R2-7-B301 and R2-7-C301)					
6.2.7.1	Offer Due Date/Time, Location where offers will be received, offer acceptance period.		Y			
6.2.7.2	The deadline date for requesting a substitution or exception to the solicitation.		Y			

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Arizona State Retirement System (ASRS)
IFB Newsletter Printing & Mailing Review

6.2.7.3	Manner by which to acknowledge amendments – for material changes (TB# 043) (ProcureAZ Quote/Summary)		Y			
6.2.7.4	Minimum information required in the offer.		Y			
6.2.7.5	The specific requirements for designating trade secrets and other proprietary information as confidential. If trade secret, does the CPO confirm 1) What steps the vendor has taken to protect their information, and 2) What would be harmed by the disclosure of the information?		Y			
6.2.7.6	Any specific responsibility criteria.		Y			
6.2.7.7	Whether the offeror is required to submit samples, descriptive literature, and technical data with the offer.	N/A				
6.2.7.8	Any evaluation criteria		Y			
6.2.7.8.1	Is conflict of interest disclosure in file for any/all non-employee evaluators	N/A				Bruce Pampel was only individual involved.
6.2.7.9	A statement where documents incorporated by reference are available for inspection and copying		Y			
6.2.7.10	A statement that the agency may cancel the solicitation or reject an offer in whole or in part		Y			
6.2.7.11	Certification by the offeror that submission of the offer did not include collusion or other anticompetitive practices.		Y			
6.2.7.12	Certification by the offeror of compliance with ARS §41-3532 when offering electronics or information technology products, services or maintenance (Section 508)	N/A				
6.2.7.13	The term of the contract, including language for any applicable option for contract extension (ProcureAZ Max/Control). (R2-7-B301.C.3)		Y			

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6.2.8	Was the appropriate insurance module used in the solicitation? (ARS §41-621, ARS §23-901)		Y			
6.2.9	Did the bid generate a sufficient number of qualified bidders/ (ARS §41-2533, §41-2534)		Y			
6.2.10	Are Procurement Disclosure Statements in file for all employees who participated in the development of the procurement, evaluation tool, served as technical advisors or evaluators, recommended or selected a vendor, or who approved sole source or competition impracticable? (SPO SP#003)		Y			
6.2.11	Did the agency director, or designee, inform employees when the first PDS was signed, and notify the State Procurement Administrator?		Y			
6.2.12	Was the contract awarded to the lowest responsible and responsive offeror whose offer conforms in all material respects to the requirements and criteria in the solicitation? (R2-7-B314.A; SP# 043)		Y			
6.2.13	If applicable, is there a non-responsibility determination in file? (R2-7-B314.B)		Y			
6.2.14	Is there a record showing the basis for determining the successful offeror on file? (R2-7-B314.B)		Y			
6.2.15	Were all offerors notified of the award, if ProcureAZ was not used? (R2-7-314.D)		Y			
6.2.16	At the time of the award, does a procurement file (either paper or electronic) exist, containing a list of notified vendors, final solicitation, non-disclosure statements, solicitation amendments, bids and offers, offer revisions, Best and Final Offer, negotiations, clarifications, final evaluation report, award determinations, and additional information requested by agency CPO as approved by SPA? (R2-7-101(37))			N	R/A	ASRS does not keep the list of notified vendors in its procurement file.

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6.2.16.1	Bidders – General Tab: Is Bid Holder List hidden from Vendors? (preventing collusion)		Y			
6.2.16.2	Does the file contain adequate justification for multiple awards, or otherwise obtained SPA authorization? (R2-7-608)	N/A				
6.2.17	If Reverse Auction (SPO SP#025)					
6.2.17.1	Was the commodity appropriate for a reverse auction?	N/A				
6.2.17.2	Were vendors notified via Bulk Email, including Offer & Acceptance Specifications, Uniform T&Cs, Special T&Cs, Uniform Instructions, Special Instructions, and Quick Reference Guide – Responding to R.A.'s?	N/A				
6.2.17.3	Were Bid Increments set in ProcureAZ, and of appropriate intervals, for the R.A.?	N/A				
6.2.17.4	Was Soft Close Enabled?	N/A				
6.2.18	Contract Administration					
6.2.18.1	Are contract records complete and available for public inspection? – note “persons with disabilities” (ARS §41-2533; SP#006)		Y			
6.2.18.2	Is there a valid and current Certificate of Insurance on file? (if applicable) (ARS§ 41-2573)			N	R/A	Certificate of Insurance is not available on ProcureAZ.
6.2.18.3	Are the amounts on the Certificate of Insurance consistent with the contract requirements? (ARS §41-2573)				R/A	Could not be determined as Certificate of Insurance is not available on ProcureAZ
6.2.18.4	Are documents named and uploaded to ProcureAZ following the naming conventions outlined in SPO SP# 006?			N	R/A	The ProcureAZ naming conventions were not used - preventing consistency for vendors and other users and decreasing uniform organization. The IFB is loaded as one document.

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6.2.18.5	For multi-term contracts, are there written determinations of extension in the contract files (>5 years)? (R2-7-605 paragraphs A-C)	N/A				Extension of contract not due until 7/7/2015
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Item No.	Recommendations	Assigned to	Estimated Completion
6.2.18.2 and 6.2.18.3	The Certificate of Insurance should be included in the procurement file on ProcureAZ.	CPO	90 days
6.2.18.4	After appropriate training on the required contract documents and naming conventions, ASRS should upload all documents onto ProcureAZ.	All Staff	90 days

State of Arizona
Arizona State Retirement System (ASRS)
RFP General Investment Consultant Review

REQUEST FOR PROPOSALS (RFP)	COMPLIANCE CRITERIA
Solicitation or Contract Number:	ASRS14-00003622
Contract Title or Description:	General Investment Consultant
Contract Estimated Amount:	Dollar value of current contract was not detailed in Scope of Work
Name of Procurement Officer:	Russ Levine

6.3	Request for Proposal (RFP)	N/A	Yes	No	Requires Action	Comments
6.3.1	Is there a Procurement Request, in writing, on file (Requisition (ProcureAZ/Email/Other) (Req copy?) (R2-7-205)		Y			
6.3.2	Should a set-aside or statewide contract been considered / used?			N		
6.3.3	Was this procurement performed by authorized personnel within his/her delegated authority? (R2-7-206)		Y			
6.3.4	Was there adequate notice, a minimum of 14 days before bid opening, of the RFP in newspaper? (Services only-excluding professional / construction) (ARS§ 41-2533.C, R2-7-B301)		Y			
6.3.5	Are the evaluation factors set forth in the solicitation and listed in relative order of importance? (ARS§ 41-2534.E)		Y			
6.3.6	Were the evaluation criteria fair and appropriate to the solicitation?		Y			
6.3.7	Does the solicitation include Scope of Work / Specifications and Terms and Conditions? (R2-7-C301)		Y			
6.3.8	Does the solicitation include instructions to offerors, including: (R2-7-C301.E.1)					
6.3.8.1	Offer Due Date / Time, Location where offers will be received, offer acceptance period. Specify whether hand delivery, U.S. Mail, electronic mail, facsimile, or other means are acceptable methods of submission.		Y			

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6.3.8.2	The deadline date for requesting a substitution or exception to the solicitation.		Y			
6.3.8.3	Manner by which to acknowledge amendments – for material changes (TB# 043) (ProcureAZ Quote/Summary)		Y			
6.3.8.4	Minimum information required in the offer.		Y			
6.3.8.5	The specific requirements for designating trade secrets and other proprietary information as confidential. If trade secret, does the CPO confirm 1) What steps the vendor has taken to protect their information, and 2) What would be harmed by the disclosure of the information?		Y			
6.3.8.6	Specific responsibility or susceptibility criteria. (RFP – TB47 – Attachment 1)		Y			
6.3.8.7	Whether the offeror is required to submit samples, descriptive literature, and technical data with offer.		Y			
6.3.8.8	Is conflict of interest disclosure in file for any / all employee evaluators		Y			
6.3.8.9	A statement of where documents incorporated by reference are available for inspection and copying.		Y			
6.3.8.10	A statement that the agency may cancel the solicitation or reject an offer in whole or in part		Y			
6.3.8.11	Certification by the offeror that submission of the offer did not include collusion or other anticompetitive practices.		Y			
6.3.8.12	Certification by the offeror of compliance with ARS§ 41-2532 when offering electronics or information technology products, services, or maintenance (508 Compliance).	N/A				
6.3.8.13	Any cost or pricing data required.		Y			

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RFP General Investment Consultant Review

6.3.8.14	The type of contract to be used.		Y			
6.3.8.15	That the offeror is required to declare whether the offeror has been debarred, suspended, or otherwise lawfully prohibited from participating in any public procurement activity, including, but not limited to, being disapproved as a subcontractor of any public procurement unit or other governmental body.		Y			
6.3.8.16	Any offer security required	N/A				
6.3.8.17	A statement that negotiations may be conducted with offerors reasonably susceptible of being selected for award and that fall within the competitive range.		Y			
6.3.8.18	The term of the contract, including language for any applicable option for contract extension (ProcureAZ Max/Control). (R2-7-C301.E.2)		Y			
6.3.9	Was the appropriate insurance module used in the solicitation? (ARS§ 41-621, ARS§ 41-901)		Y			
6.3.10	Did the RFP generate a sufficient number of qualified offerors, and if not is there a written determination in file?		Y			
6.3.11	Are Procurement Disclosure Statements in file for all employees who participated in the development of the procurement, evaluation tool, served as technical advisors or evaluators, recommended or selected a vendor, or who approved sole source or competition impracticable? (SPO SP# 003)				R/A	Could not be determined as all required contract documents are not available on ProcureAZ. ASRS' procurement staff has a blanket PDS on file.
6.3.12	Did the agency director, or designee, inform employees when the first PDS was signed, and notify the State Procurement Administrator?		Y			
6.3.13	Were the offers evaluated based on the evaluation criteria contained in the RFP? (R2-7-C316)				R/A	Could not be determined as all contract documents including evaluation rubrics and tally sheets are

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RFP General Investment Consultant Review

6.3.13 Cont'd						not available on ProcureAZ.
6.3.13.1	Was a kick-off meeting with the evaluation committee held to review the plan, discuss the solicitation, and agree on a schedule? (Request sign-in) (SPO SP# 043)				R/A	Could not be determined as all contract documents, including evaluation membership and meetings are not available on ProcureAZ.
6.3.13.2	Did each evaluation committee member review each offer independently? (SPO# 043)				R/A	Could not be determined as all contract documents not available on ProcureAZ.
6.3.14	Was the contract awarded to the responsible offeror whose offer is determined to be most advantageous to the state based on the evaluation factors set forth in the RFP? (R2-7-C317)				R/A	Could not be determined as all contract documents including evaluation rubrics and tally sheets are not available on ProcureAZ.
6.3.15	Is there a written determination explaining the basis for the award on file? (R2-7B314.B)				R/A	Could not be determined as all contract documents not available on ProcureAZ.
6.3.16	Were all offerors notified of the award? (R2-7-C317.D)		Y			
6.3.17	At the time of the award, does a procurement file (either paper or electronic) exist, containing a list of notified vendors, final solicitation, non-disclosure statements, solicitation amendments, bids and offers, offer revisions, Best and Final Offer, negotiations, clarifications, final evaluation report, award determinations, and additional information requested by agency CPO as approved by SPA? (R2-7-101(37))				R/A	Could not be determined as all contract documents not available on ProcureAZ.
6.3.17.1	Bidders – General Tab: Is Bid Holder List hidden from vendors? (preventing collusion)		Y			
6.3.17.2	Does the file contain adequate justification for multiple awards, or otherwise obtained SPA authorization? (R2-7-608)	N/A				Single Award

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RFP General Investment Consultant Review

6.3.18	Contract Administration					
6.3.18.1	Are contract files and records complete and available for public inspection? – note “persons with disabilities” (ARS§ 41-2533; SPO#006)				R/A	Could not be determined as all contract documents not available on ProcureAZ.
6.3.18.2	Is there a valid and current Certificate of Insurance on file, with amounts consistent with contract requirements? (ARS§ 41-2573)				R/A	Could not be determined as all contract documents not available on ProcureAZ.
6.3.18.3	Are documents names and uploaded to ProcureAZ following the naming conventions outlined in SPO SP# 006?				R/A	Could not be determined as all contract documents not available on ProcureAZ.
6.3.18.4	For multi-term contracts, are there written determinations of extension in the contract files (>5 years)? (R2-7-605 paragraphs A-C)	N/A				This contract is not up for renewal until March 2015.

Item No.	Recommendations	Assigned to	Estimated Completion
6.3.11	Upload all required contract documents, including PDS for technical advisors or evaluators onto ProcureAZ using the correct naming conventions. ASRS’ procurement staff has a current blanket document on file.	CPO	90 days
6.3.13, 6.3.13.1, and 6.3.13.2	ASRS needs a checklist to follow for the action at each level of the procurement process.	CPO	90 days
6.3.14 and 6.3.15	Upload all required contract documents, including evaluation rubrics and tally sheets onto ProcureAZ using the correct naming conventions.	CPO	90 days
6.3.17	Review the minimal standards for solicitations and contract documents. Additionally, another certified professional should review the solicitations and contract document files.	All ASRS Procurement Staff	90 days
6.3.18.3	ASRS needs to comply with the requirements of file documentation naming conventions in ProcureAZ.	CPO	90 days

State of Arizona
Arizona State Retirement System (ASRS)
RFP Retiree Medical Program Review

REQUEST FOR PROPOSALS (RFP)	COMPLIANCE CRITERIA
Solicitation or Contract Number:	ASRS14-00003727
Contract Title or Description:	Retiree Medical Program
Contract Estimated Amount:	\$430 million per year
Name of Procurement Officer:	Shireen Boone

6.3	Request for Proposal (RFP)	N/A	Yes	No	Requires Action	Comments
6.3.1	Is there a Procurement Request, in writing, on file (Requisition (ProcureAZ/Email/Other) (Req copy)? (R2-7-205)		Y			
6.3.2	Should a set-aside or statewide contract been considered / used?	N/A				
6.3.3	Was this procurement performed by authorized personnel within his/her delegated authority? (R2-7-206)		Y			
6.3.4	Was there adequate notice, a minimum of 14 days before bid opening, of the RFP in newspaper? (Services only-excluding professional / construction) (ARS§ 41-2533.C, R2-7-B301)		Y			Information published in newspaper 2/2/2014 Pre-conference 2/4/2014 Deadline for questions 2/14/2014 Offers due 3/5/2014 by extension The 14 days between release and bid opening was met.
6.3.5	Are the evaluation factors set forth in the solicitation and listed in relative order of importance? (ARS§ 41-2534.E)		Y			
6.3.6	Were the evaluation criteria fair and appropriate to the solicitation?		Y			
6.3.7	Does the solicitation include Scope of Work / Specifications and Terms and Conditions? (R2-7-C301)		Y			
6.3.8	Does the solicitation include instructions to offerors, including: (R2-7-C301.E.1)					

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Arizona State Retirement System (ASRS)
RFP Retiree Medical Program Review

6.3.8.1	Offer Due Date / Time, Location where offers will be received, offer acceptance period. Specify whether hand delivery, U.S. Mail, electronic mail, facsimile, or other means are acceptable methods of submission.		Y			
6.3.8.2	The deadline date for requesting a substitution or exception to the solicitation.		Y			
6.3.8.3	Manner by which to acknowledge amendments – for material changes (TB# 043) (ProcureAZ Quote/Summary)		Y			
6.3.8.4	Minimum information required in the offer.		Y			
6.3.8.5	The specific requirements for designating trade secrets and other proprietary information as confidential. If trade secret, does the CPO confirm 1) What steps the vendor has taken to protect their information, and 2) What would be harmed by the disclosure of the information?		Y			
6.3.8.6	Specific responsibility or susceptibility criteria. (RFP-TB47-Attachment 1)		Y			
6.3.8.7	Whether the offeror is required to submit samples, descriptive literature, and technical data with offer.		Y			
6.3.8.8	Is conflict of interest disclosure in file for any / all employee evaluators		Y			

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6.3.8.9	A statement of where documents incorporated by reference are available for inspection and copying.		Y			
6.3.8.10	A statement that the agency may cancel the solicitation or reject an offer in whole or in part		Y			
6.3.8.11	Certification by the offeror that submission of the offer did not include collusion or other anticompetitive practices.		Y			
6.3.8.12	Certification by the offeror of compliance with ARS§ 41-2532 when offering electronics or information technology products, services, or maintenance (508 Compliance).	N/A				
6.3.8.13	Any cost or pricing data required.		Y			
6.3.8.14	The type of contract to be used.		Y			Fixed fee
6.3.8.15	That the offeror is required to declare whether the offeror has been debarred, suspended, or otherwise lawfully prohibited from participating in any public procurement activity, including, but not limited to, being disapproved as a subcontractor of any public procurement unit or other governmental body.		Y			
6.3.8.16	Any offer security required	N/A				
6.3.8.17	A statement that negotiations may be conducted with offerors reasonably susceptible of being selected for award and that fall within the competitive range.		Y			

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6.3.8.18	The term of the contract, including language for any applicable option for contract extension (ProcureAZ Max/Control). (R2-7-C301.E.2)		Y			
6.3.9	Was the appropriate insurance module used in the solicitation? (ARS§ 41-621, ARS§ 41-901)		Y			
6.3.10	Did the RFP generate a sufficient number of qualified offerors, and if not is there a written determination in file?			N	R/A	The RFP did not generate a sufficient number of qualified offerors. There is a written determination on file in the response and committee determination.
6.3.11	Are Procurement Disclosure Statements in file for all employees who participated in the development of the procurement, evaluation tool, served as technical advisors or evaluators, recommended or selected a vendor, or who approved sole source or competition impracticable? (SPO SP# 003)		Y			
6.3.12	Did the agency director, or designee, inform employees when the first PDS was signed, and notify the State Procurement Administrator?		Y			
6.3.13	Were the offers evaluated based on the evaluation criteria contained in the RFP? (R2-7-C316)		Y			
6.3.13.1	Was a kick-off meeting with the evaluation committee held to review the plan, discuss the solicitation, and agree on a schedule? (Request sign-in) (SPO SP# 043)		Y			
6.3.13.1 Cont'd						
6.3.13.2	Did each evaluation committee member review each offer independently? (SPO# 043)		Y			

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RFP Retiree Medical Program Review

6.3.14	Was the contract awarded to the responsible offeror whose offer is determined to be most advantageous to the state based on the evaluation factors set forth in the RFP? (R2-7-C317)		Y			
6.3.15	Is there a written determination explaining the basis for the award on file? (R2-7B314.B)		Y			
6.3.16	Were all offerors notified of the award? (R2-7-C317.D)		Y			
6.3.17	At the time of the award, does a procurement file (either paper or electronic) exist, containing a list of notified vendors, final solicitation, non-disclosure statements, solicitation amendments, bids and offers, offer revisions, Best and Final Offer, negotiations, clarifications, final evaluation report, award determinations, and additional information requested by agency CPO as approved by SPA? (R2-7-101(37))				R/A	Could not be determined as all contract documents, including BAFO's, negotiations, clarifications, and final evaluation report are not available on ProcureAZ.
6.3.17.1	Bidders – General Tab: Is Bid Holder List hidden from vendors? (preventing collusion)					Awaiting information from SPO
6.3.17.2	Does the file contain adequate justification for multiple awards, or otherwise obtained SPA authorization? (R2-7-608)	N/A				
6.3.18	Contract Administration					
6.3.18.1	Are contract files and records complete and available for public inspection? – note "persons with disabilities" (ARS§ 41-2533;			N	R/A	All contract documents not available on ProcureAZ.

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RFP Retiree Medical Program Review

	SPO#006)					
6.3.18.2	Is there a valid and current Certificate of Insurance on file, with amounts consistent with contract requirements? (ARS§ 41-2573)			N	R/A	All contract documents, such as Certificate of Insurance, are not available on ProcureAZ.
6.3.18.3	Are documents names and uploaded to ProcureAZ following the naming conventions outlined in SPO SP# 006?			N	R/A	The ProcureAZ naming conventions were not used; preventing consistency for vendors and other users and decreasing uniform organization.
6.3.18.4	For multi-term contracts, are there written determinations of extension in the contract files (>5 years)? (R2-7-605 paragraphs A-C)	N/A				This contract will not be up for extension until 2015.

Item No.	Recommendations	Assigned to	Estimated Completion
6.3.17	Review the minimal standards for solicitations and contract documents. Additionally, another certified professional should review the CPO's solicitations and contract document files.	CPO	90 days
6.3.18.1	Review the minimal standards for solicitations and contract documents. Additionally, another certified professional should review the CPO's solicitations and contract document files. Consider an amendment to the ASRS Delegation Authority to require SPO approval for determination if only one offer is received.	CPO	30 days
6.3.18.2	The Certificate of Insurance should be included in the procurement file on ProcureAZ.	CPO	90 days
6.3.18.3	ASRS needs to comply with the requirements of file documentation naming conventions in ProcureAZ.	CPO	90 days

State of Arizona
Arizona State Retirement System (ASRS)
RFP Fiduciary Training Services Review

REQUEST FOR PROPOSALS (RFP)	COMPLIANCE CRITERIA
Solicitation or Contract Number:	ASRS15-00004567
Contract Title or Description:	Fiduciary Training Services
Contract Estimated Amount:	Dollar volume of current contract was not detailed in the Scope of Work
Name of Procurement Officer:	Russ Levine

6.3	Request for Proposal (RFP)	N/A	Yes	No	Requires Action	Comments
6.3.1	Is there a Procurement Request, in writing, on file (Requisition (ProcureAZ/Email/Other) (Req copy?) (R2-7-205)		Y			
6.3.2	Should a set-aside or statewide contract been considered / used?			N		
6.3.3	Was this procurement performed by authorized personnel within his/her delegated authority? (R2-7-206)		Y			
6.3.4	Was there adequate notice, a minimum of 14 days before bid opening, of the RFP in newspaper? (Services only-excluding professional / construction) (ARS§ 41-2533.C, R2-7-B301)		Y			
6.3.5	Are the evaluation factors set forth in the solicitation and listed in relative order of importance? (ARS§ 41-2534.E)		Y			
6.3.6	Were the evaluation criteria fair and appropriate to the solicitation?		Y			
6.3.7	Does the solicitation include Scope of Work / Specifications and Terms and Conditions? (R2-7-C301)		Y			
6.3.8	Does the solicitation include instructions to offerors, including: (R2-7-C301.E.1)					
6.3.8.1	Offer Due Date / Time, Location where offers will be received, offer acceptance period. Specify whether hand delivery, U.S. Mail, electronic mail, facsimile, or other means are acceptable methods of submission.		Y			

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RFP Fiduciary Training Services Review

6.3.8.2	The deadline date for requesting a substitution or exception to the solicitation.		Y			
6.3.8.3	Manner by which to acknowledge amendments – for material changes (TB# 043) (ProcureAZ Quote/Summary)		Y			
6.3.8.4	Minimum information required in the offer.		Y			
6.3.8.5	The specific requirements for designating trade secrets and other proprietary information as confidential. If trade secret, does the CPO confirm 1) What steps the vendor has taken to protect their information, and 2) What would be harmed by the disclosure of the information?		Y			
6.3.8.6	Specific responsibility or susceptibility criteria. (RFP – TB47 – Attachment 1)		Y			
6.3.8.7	Whether the offeror is required to submit samples, descriptive literature, and technical data with offer.			Y		
6.3.8.8	Is conflict of interest disclosure in file for any/all employee evaluators		Y			All ASRS procurement personnel have a disclosure on file; however evaluation committee members are unknown at this time.
6.3.8.9	A statement of where documents incorporated by reference are available for inspection and copying.		Y			
6.3.8.10	A statement that the agency may cancel the solicitation or reject an offer in whole or in part		Y			
6.3.8.11	Certification by the offeror that submission of the offer did not include collusion or other anticompetitive practices.		Y			
6.3.8.12	Certification by the offeror of compliance with ARS§ 41-2532 when offering electronics or information technology products, services, or maintenance (508 Compliance).	N/A				

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6.3.8.13	Any cost or pricing data required.		Y			
6.3.8.14	The type of contract to be used.		Y			
6.3.8.15	That the offeror is required to declare whether the offeror has been debarred, suspended, or otherwise lawfully prohibited from participating in any public procurement activity, including, but not limited to, being disapproved as a subcontractor of any public procurement unit or other governmental body.		Y			
6.3.8.16	Any offer security required	N/A				
6.3.8.17	A statement that negotiations may be conducted with offerors reasonably susceptible of being selected for award and that fall within the competitive range.		Y			
6.3.8.18	The term of the contract, including language for any applicable option for contract extension (ProcureAZ Max/Control). (R2-7-C301.E.2)		Y			
6.3.9	Was the appropriate insurance module used in the solicitation? (ARS§ 41-621, ARS§ 41-901)		Y			
6.3.10	Did the RFP generate a sufficient number of qualified offerors, and if not is there a written determination in file?					Not awarded as of date of this report
6.3.11	Are Procurement Disclosure Statements in file for all employees who participated in the development of the procurement, evaluation tool, served as technical advisors or evaluators, recommended or selected a vendor, or who approved sole source or competition impracticable? (SPO SP# 003)					Not awarded as of date of this report
6.3.12	Did the agency director, or designee, inform employees when the first PDS was signed, and notify the State Procurement Administrator?					Not awarded as of date of this report

State of Arizona
Arizona State Retirement System (ASRS)
RFP Fiduciary Training Services Review

6.3.13	Were the offers evaluated based on the evaluation criteria contained in the RFP? (R2-7-C316)					Not awarded as of date of this report
6.3.13.1	Was a kick-off meeting with the evaluation committee held to review the plan, discuss the solicitation, and agree on a schedule? (Request sign-in) (SPO SP# 043)					Not awarded as of date of this report
6.3.13.2	Did each evaluation committee member review each offer independently? (SPO# 043)					Not awarded as of date of this report
6.3.14	Was the contract awarded to the responsible offeror whose offer is determined to be most advantageous to the state based on the evaluation factors set forth in the RFP? (R2-7-C317)					Not awarded as of date of this report
6.3.15	Is there a written determination explaining the basis for the award on file? (R2-7B314.B)					Not awarded as of date of this report
6.3.16	Were all offerors notified of the award? (R2-7-C317.D)					Not awarded as of date of this report
6.3.17	At the time of the award, does a procurement file (either paper or electronic) exist, containing a list of notified vendors, final solicitation, non-disclosure statements, solicitation amendments, bids and offers, offer revisions, Best and Final Offer, negotiations, clarifications, final evaluation report, award determinations, and additional information requested by agency CPO as approved by SPA? (R2-7-101(37))					Not awarded as of date of this report
6.3.17.1	Bidders – General Tab: Is Bid Holder List hidden from vendors? (preventing collusion)					Not awarded as of date of this report
6.3.17.2	Does the file contain adequate justification for multiple awards, or otherwise obtained SPA authorization? (R2-7-608)					Not awarded as of date of this report
6.3.18	Contract Administration					
6.3.18.1	Are contract files and records complete and available for public inspection? – note					Not awarded as of date of this report

State of Arizona
Arizona State Retirement System (ASRS)
RFP Fiduciary Training Services Review

6.3.18.1 Cont'd	"persons with disabilities" (ARS§ 41-2533; SPO#006)					
6.3.18.2	Is there a valid and current Certificate of Insurance on file, with amounts consistent with contract requirements? (ARS§ 41-2573)					Not awarded as of date of this report
6.3.18.3	Are documents names and uploaded to ProcureAZ following the naming conventions outlined in SPO SP# 006?			N	R/A	The RFP documents do not follow the naming conventions.
6.3.18.4	For multi-term contracts, are there written determinations of extension in the contract files (>5 years)? (R2-7-605 paragraphs A-C)					Not awarded as of date of this report

Item No.	Recommendations	Assigned to	Estimated Completion
6.3.18.3	After appropriate training on the required contract documents and naming conventions, ASRS should upload all documents onto ProcureAZ.	CPO	90 days

**State of Arizona
Arizona State Retirement System (ASRS)
RFP Software Professional Services Review**

REQUEST FOR PROPOSALS (RFP)	COMPLIANCE CRITERIA
Solicitation or Contract Number:	ASRS15-00004566
Contract Title or Description:	Software Professional Services
Contract Estimated Amount:	Unknown, not defined volume in SOW and response is hourly
Name of Procurement Officer:	Russ Levine

6.3	Request for Proposal (RFP)	N/A	Yes	No	Requires Action	Comments
6.3.1	Is there a Procurement Request, in writing, on file (Requisition (ProcureAZ/Email/Other) (Req copy)? (R2-7-205)		Y			
6.3.2	Should a set-aside or statewide contract been considered / used?			N		
6.3.3	Was this procurement performed by authorized personnel within his/her delegated authority? (R2-7-206)		Y			
6.3.4	Was there adequate notice, a minimum of 14 days before bid opening, of the RFP in newspaper? (Services only-excluding professional / construction) (ARS §41-2533.C, R2-7-B301)		Y			
6.3.5	Are the evaluation factors set forth in the solicitation and listed in relative order of importance? (ARS §41-2534.E)		Y			
6.3.6	Were the evaluation criteria fair and appropriate to the solicitation?		Y			
6.3.7	Does the solicitation include Scope of Work / Specifications and Terms and Conditions? (R2-7-C301)		Y			
6.3.8	Does the solicitation include instructions to offerors, including: (R2-7-C301.E.1)					
6.3.8.1	Offer Due Date / Time, Location where offers will be received, offer acceptance period. Specify whether		Y			

State of Arizona
Arizona State Retirement System (ASRS)
RFP Software Professional Services Review

6.3.8.1 Cont'd	hand delivery, U.S. Mail, electronic mail, facsimile, or other means are acceptable methods of submission.					
6.3.8.2	The deadline date for requesting a substitution or exception to the solicitation.		Y			
6.3.8.3	Manner by which to acknowledge amendments – for material changes (TB# 043) (ProcureAZ Quote/Summary)		Y			
6.3.8.4	Minimum information required in the offer.		Y			
6.3.8.5	The specific requirements for designating trade secrets and other proprietary information as confidential. If trade secret, does the CPO confirm 1) What steps the vendor has taken to protect their information, and 2) What would be harmed by the disclosure of the information?		Y			
6.3.8.6	Specific responsibility or susceptibility criteria. (RFP – TB47 – Attachment 1)		Y			
6.3.8.7	Whether the offeror is required to submit samples, descriptive literature, and technical data with offer.		Y			
6.3.8.8	Is conflict of interest disclosure in file for any / all employee evaluators.		Y			
6.3.8.9	A statement of where documents incorporated by reference are available for inspection and copying.		Y			
6.3.8.10	A statement that the agency may cancel the solicitation or reject an offer in whole or in part.		Y			
6.3.8.11	Certification by the offeror that submission of the offer did not include collusion or other anticompetitive practices.		Y			

State of Arizona
Arizona State Retirement System (ASRS)
RFP Software Professional Services Review

6.3.8.12	Certification by the offeror of compliance with ARS §41-2532 when offering electronics or information technology products, services, or maintenance (508 Compliance).		Y			
6.3.8.13	Any cost or pricing data required.		Y			
6.3.8.14	The type of contract to be used.		Y			
6.3.8.15	That the offeror is required to declare whether the offeror has been debarred, suspended, or otherwise lawfully prohibited from participating in any public procurement activity, including, but not limited to, being disapproved as a subcontractor of any public procurement unit or other governmental body.		Y			
6.3.8.16	Any offer security required	N/A				
6.3.8.17	A statement that negotiations may be conducted with offerors reasonably susceptible of being selected for award and that fall within the competitive range.		Y			
6.3.8.18	The term of the contract, including language for any applicable option for contract extension (ProcureAZ Max/Control). (R2-7-C301.E.2)		Y			
6.3.9	Was the appropriate insurance module used in the solicitation? (ARS §41-621, ARS §41-901)		Y			
6.3.10	Did the RFP generate a sufficient number of qualified offerors, and if not is there a written determination in file?		Y			
6.3.11	Are Procurement Disclosure Statements in file for all employees who participated in the development of the procurement, evaluation tool, served as technical advisors or			N	R/A	PDSs were not on file for: Trent Kendall, Ivan Sykes, Elden (Pete) Hays, Thomas Neith, and Michelle Roshto, all ASRS Staff on ProcureAZ.

State of Arizona
Arizona State Retirement System (ASRS)
RFP Software Professional Services Review

6.3.11 Cont'd	evaluators, recommended or selected a vendor, or who approved sole source or competition impracticable? (SPO SP# 003)					
6.3.12	Did the agency director, or designee, inform employees when the first PDS was signed, and notify the State Procurement Administrator?		Y			
6.3.13	Were the offers evaluated based on the evaluation criteria contained in the RFP? (R2-7-C316)		Y			
6.3.13.1	Was a kick-off meeting with the evaluation committee held to review the plan, discuss the solicitation, and agree on a schedule? (Request sign-in) (SPO SP# 043)				R/A	Could not be determined as all contract documents not available on ProcureAZ.
6.3.13.2	Did each evaluation committee member review each offer independently? (SPO# 043)				R/A	Could not be determined as all contract documents not available on ProcureAZ. Verbal answer was yes.
6.3.14	Was the contract awarded to the responsible offeror whose offer is determined to be most advantageous to the state based on the evaluation factors set forth in the RFP? (R2-7-C317)		Y			
6.3.15	Is there a written determination explaining the basis for the award on file? (R2-7B314.B)		Y			
6.3.16	Were all offerors notified of the award? (R2-7-C317.D)				R/A	Currently only one vendor's information is loaded onto ProcureAZ (although awarded to four vendors). Could not be determined as all contract documents not available on ProcureAZ.
6.3.17	At the time of the award, does a procurement file (either paper or electronic) exist, containing a list of notified vendors, final solicitation, non-disclosure statements, solicitation				R/A	Currently only one vendor's information is loaded onto ProcureAZ (although awarded to four vendors). Could not be determined as all contract documents not available on ProcureAZ.

State of Arizona
Arizona State Retirement System (ASRS)
RFP Software Professional Services Review

6.3.17 Cont'd	amendments, bids and offers, offer revisions, Best and Final Offer, negotiations, clarifications, final evaluation report, award determinations, and additional information requested by agency CPO as approved by SPA? (R2-7-101(37))					
6.3.17.1	Bidders – General Tab: Is Bid Holder List hidden from vendors? (preventing collusion)		Y			
6.3.17.2	Does the file contain adequate justification for multiple awards, or otherwise obtained SPA authorization? (R2-7-608)			N	R/A	The brief justification given was "because the ASRS requires services for several different software applications, the Committee concluded it would be advantageous to award to more than one company..."
6.3.18	Contract Administration					
6.3.18.1	Are contract files and records complete and available for public inspection? – note "persons with disabilities" (ARS §41-2533; SPO#006)			N	R/A	All contract documents not available on ProcureAZ.
6.3.18.2	Is there a valid and current Certificate of Insurance on file, with amounts consistent with contract requirements? (ARS §41-2573)				R/A	Could not be determined as all contract documents not available on ProcureAZ.
6.3.18.3	Are documents names and uploaded to ProcureAZ following the naming conventions outlined in SPO SP# 006?			N	R/A	The ProcureAZ naming conventions were not used; preventing consistency for vendors and other users and decreasing uniform organization.
6.3.18.4	For multi-term contracts, are there written determinations of extension in the contract files (>5 years)? (R2-7-605 paragraphs A-C)	N/A				Contract was just awarded and will not be extended until 2015.

State of Arizona
Arizona State Retirement System (ASRS)
RFP Software Professional Services Review

Item No.	Recommendations	Assigned to	Estimated Completion
6.3.11	Upload all required contract documents, including PDS for technical advisors or evaluators onto ProcureAZ using the correct naming conventions. ASRS' procurement staff has a current blanket document on file.	CPO	90 days
6.3.12	Upload all required contract documents onto ProcureAZ using the correct naming conventions.	CPO	90 days
6.3.13.1, and 6.3.13.2	ASRS needs a checklist to follow the necessary action at each level of the procurement process. This would provide for transparency of the process.	CPO	90 days
6.3.16	ASRS needs to comply with the requirements of file documentation in ProcureAZ. Letters to all responding offers is a part of the needed file on ProcureAZ.		
6.3.17	Review the minimal standards for solicitations and contract documents. Additionally, another certified professional should review the solicitations and contract document files.	All ASRS Procurement Staff	90 days
6.3.17.2	Expand Scope of Work to reveal more specific information to vendors to promote fairness and competition. Determine in advance how many vendors should be needed and make that clear in the solicitation.	CPO	Ongoing
6.3.18.1	The Contract Number for this award should be put in place immediately. Review the minimal standards for solicitations and contract documents. Additionally, another certified professional should review the CPO's solicitations and contract document files.	CPO	90 days
6.3.18.2	The Certificate of Insurance should be included in the procurement file on ProcureAZ.	CPO	90 days
6.3.18.3	ASRS needs to comply with the requirements of file documentation naming conventions in ProcureAZ.	CPO	90 days

State of Arizona
Arizona State Retirement System (ASRS)
RFP Oracle Software Support & Service Review

REQUEST FOR PROPOSALS (RFP)	COMPLIANCE CRITERIA
Solicitation or Contract Number:	ASRS14-0003635
Contract Title or Description:	Oracle Software Support & Service
Contract Estimated Amount:	\$359,000 Yr1; \$58,000 Yr 2
Name of Procurement Officer:	Shireen Boone

6.3	Request for Proposal (RFP)	N/A	Yes	No	Requires Action	Comments
6.3.1	Is there a Procurement Request, in writing, on file (Requisition (ProcureAZ/Email/Other) (Req copy)? (R2-7-205)		Y			
6.3.2	Should a set-aside or statewide contract been considered / used?			N		
6.3.3	Was this procurement performed by authorized personnel within his/her delegated authority? (R2-7-206)		Y			
6.3.4	Was there adequate notice, a minimum of 14 days before bid opening, of the RFP in newspaper? (Services only-excluding professional / construction) (ARS§ 41-2533.C, R2-7-B301)			N	R/A	Solicitation was not out for 14 days as required between release date (11/20/2013) and bid opening due date (11/26/2013) – unable to find determination for why the shorter cycle on documents currently on ProcureAZ. Additionally, the legal publication indicates it is an IFB; but solicitation was released as a RFP.
6.3.5	Are the evaluation factors set forth in the solicitation and listed in relative order of importance? (ARS§ 41-2534.E)		Y			
6.3.6	Were the evaluation criteria fair and appropriate to the solicitation?		Y			
6.3.7	Does the solicitation include Scope of Work / Specifications and Terms and Conditions? (R2-7-C301)		Y			

State of Arizona
Arizona State Retirement System (ASRS)
RFP Oracle Software Support & Service Review

6.3.8	Does the solicitation include instructions to offerors, including: (R2-7-C301.E.1)					
6.3.8.1	Offer Due Date / Time, Location where offers will be received, offer acceptance period. Specify whether hand delivery, U.S. Mail, electronic mail, facsimile, or other means are acceptable methods of submission.		Y			
6.3.8.2	The deadline date for requesting a substitution or exception to the solicitation.		Y			
6.3.8.3	Manner by which to acknowledge amendments – for material changes (TB# 043) (ProcureAZ Quote/Summary)		Y			
6.3.8.4	Minimum information required in the offer.		Y			
6.3.8.5	The specific requirements for designating trade secrets and other proprietary information as confidential. If trade secret, does the CPO confirm 1) What steps the vendor has taken to protect their information, and 2) What would be harmed by the disclosure of the information?		Y			
6.3.8.6	Specific responsibility or susceptibility criteria. (RFP–TB47–Attachment 1)		Y			
6.3.8.7	Whether the offeror is required to submit samples, descriptive literature, and technical data with offer.		Y			

State of Arizona
Arizona State Retirement System (ASRS)
RFP Oracle Software Support & Service Review

6.3.8.8	Is conflict of interest disclosure in file for any / all employee evaluators				R/A	Could not be determined as all contract documents not available on ProcureAZ. Procurement staff has disclosures on file.
6.3.8.9	A statement of where documents incorporated by reference are available for inspection and copying.		Y			
6.3.8.10	A statement that the agency may cancel the solicitation or reject an offer in whole or in part		Y			
6.3.8.11	Certification by the offeror that submission of the offer did not include collusion or other anticompetitive practices.		Y			
6.3.8.12	Certification by the offeror of compliance with ARS§ 41-2532 when offering electronics or information technology products, services, or maintenance (508 Compliance).		Y			
6.3.8.13	Any cost or pricing data required.		Y			
6.3.8.14	The type of contract to be used.		Y		R/A	Documents state both "fixed fee" and on the cost submittal that "price with a discount" must be submitted, so unable to determine with current available documents.
6.3.8.15	That the offeror is required to declare whether the offeror has been debarred, suspended, or otherwise lawfully prohibited from participating in any public procurement activity, including, but not limited to, being disapproved as a subcontractor of any public procurement unit or other governmental body.		Y			
6.3.8.16	Any offer security required	N/A				

State of Arizona
Arizona State Retirement System (ASRS)
RFP Oracle Software Support & Service Review

6.3.8.17	A statement that negotiations may be conducted with offerors reasonably susceptible of being selected for award and that fall within the competitive range.		Y			
6.3.8.18	The term of the contract, including language for any applicable option for contract extension (ProcureAZ Max/Control). (R2-7-C301.E.2)		Y			
6.3.9	Was the appropriate insurance module used in the solicitation? (ARS§ 41-621, ARS§ 41-901)		Y			
6.3.10	Did the RFP generate a sufficient number of qualified offerors, and if not is there a written determination in file?		Y			
6.3.11	Are Procurement Disclosure Statements in file for all employees who participated in the development of the procurement, evaluation tool, served as technical advisors or evaluators, recommended or selected a vendor, or who approved sole source or competition impracticable? (SPO SP# 003)				R/A	Could not be determined as all contract documents not available on ProcureAZ. Procurement staff has disclosures on file, but it is unknown who might have been used as advisors; evaluators, or were otherwise involved in the process.
6.3.12	Did the agency director, or designee, inform employees when the first PDS was signed, and notify the State Procurement Administrator?		Y			
6.3.13	Were the offers evaluated based on the evaluation criteria contained in the RFP? (R2-7-C316)				R/A	Could not be determined as all contract documents are not available on ProcureAZ. The summary does not contain any score, only responses.
6.3.13.1	Was a kick-off meeting with the evaluation committee held to review the plan, discuss the solicitation, and agree on a				R/A	Could not be determined as all contract documents are not available on ProcureAZ. Specifically, who served on the evaluation committee?

State of Arizona
Arizona State Retirement System (ASRS)
RFP Oracle Software Support & Service Review

6.3.13.1 Cont'd	schedule? (Request sign-in) (SPO SP# 043)					
6.3.13.2	Did each evaluation committee member review each offer independently? (SPO# 043)				R/A	Could not be determined as all contract documents are not available on ProcureAZ. Specifically, who served on the evaluation committee?
6.3.14	Was the contract awarded to the responsible offeror whose offer is determined to be most advantageous to the state based on the evaluation factors set forth in the RFP? (R2-7-C317)				R/A	Could not be determined as all contract documents are not available on ProcureAZ. The tallied rubric score was not available on ProcureAZ.
6.3.15	Is there a written determination explaining the basis for the award on file? (R2-7B314.B)				R/A	Could not be determined as all contract documents are not available on ProcureAZ. The tallied rubric scores were not available on ProcureAZ.
6.3.16	Were all offerors notified of the award? (R2-7-C317.D)				R/A	Could not be determined as all contract documents are not available on ProcureAZ.
6.3.17	At the time of the award, does a procurement file (either paper or electronic) exist, containing a list of notified vendors, final solicitation, non-disclosure statements, solicitation amendments, bids and offers, offer revisions, Best and Final Offer, negotiations, clarifications, final evaluation report, award determinations, and additional information requested by agency CPO as approved by SPA? (R2-7-101(37))			N	R/A	No list of notified vendor, non-disclosure statements, solicitation amendments, offer revisions, Best and Final Offer, negotiations, clarifications, final evaluation report, award determinations available on ProcureAZ. At the time of this report, the awarded vendor had not been assigned a contract # in ProcureAZ.
6.3.17.1	Bidders – General Tab: Is Bid Holder List hidden from vendors? (preventing collusion)		Y			
6.3.17.2	Does the file contain adequate justification for multiple awards, or otherwise obtained SPA authorization? (R2-7-608)	N/A				It appears to be a single award.

State of Arizona
Arizona State Retirement System (ASRS)
RFP Oracle Software Support & Service Review

6.3.18	Contract Administration					
6.3.18.1	Are contract files and records complete and available for public inspection? – note “persons with disabilities” (ARS§ 41-2533; SPO#006)			N	R/A	Contract number is not assigned in ProcureAZ; so the accompanying documents are also missing.
6.3.18.2	Is there a valid and current Certificate of Insurance on file, with amounts consistent with contract requirements? (ARS§ 41-2573)				R/A	Could not be determined as Certificate of Insurance is not available on ProcureAZ
6.3.18.3	Are documents names and uploaded to ProcureAZ following the naming conventions outlined in SPO SP# 006?		Y			Of all named contracts reviewed at ASRS this is the most successful one using the ProcureAZ naming conventions for the solicitation; however, the contract lacks many documents on ProcureAZ.
6.3.18.4	For multi-term contracts, are there written determinations of extension in the contract files (>5 years)? (R2-7-605 paragraphs A-C)	N/A				Contract has not been extended yet.

Item No.	Recommendations	Assigned to	Estimated Completion
6.3.4	Review the minimal standards for solicitations and contract documents. Additionally, another certified professional should review the CPO’s solicitations and contract document files.	CPO	10 days
6.3.8.8	ASRS needs to have a review of what documents are required at each step of the procurement through contract award and management.	CPO	30 days
6.3.8.14	Clarify type of contract on all solicitations should be well outlined and not confusing to the vendors. Additionally, another certified professional should review the CPO’s solicitations and contract document files.	CPO	Ongoing
6.3.11	Upload all required contract documents, including PDS for technical advisors or evaluators onto ProcureAZ using the correct naming conventions. ASRS procurement staff has a current blanket document on file.	CPO	90 days

State of Arizona
Arizona State Retirement System (ASRS)
RFP Oracle Software Support & Service Review

6.3.13.1 and 6.3.13.2	ASRS needs a checklist to follow for the required action at each level of the procurement process which will improve transparency of the process.	CPO	90 days
6.3.14 and 6.3.15	Upload all required contract documents, including evaluation rubrics and tally sheets onto ProcureAZ using the correct naming conventions.	CPO	90 days
6.3.16	ASRS needs to comply with the requirements of file documentation in ProcureAZ. Letters to all responding offers is a part of the needed file on ProcureAZ.	CPO	90 days
6.3.17	Review the minimal standards for solicitations and contract documents. Additionally, another certified professional should review the CPO's solicitations and contract document files.	CPO	90 days
6.3.18.1	The Contract Number for this award should be put in place immediately. Review the minimal standards for solicitations and contract documents. Additionally, another certified professional should review the CPO's solicitations and contract document files.	CPO	30 days
6.3.18.2	The Certificate of Insurance should be included in the procurement file on ProcureAZ.	CPO	90 days
6.3.18.3	ASRS needs to comply with the requirements of file documentation naming conventions in ProcureAZ.	CPO	90 days

**State of Arizona
Arizona State Retirement System
Performance Review**

Emergency Procurement	COMPLIANCE CRITERIA
Solicitation or Contract Number:	ASRS15-021896
Contract Title or Description:	Notification & Call Center Services
Contract Estimated Amount:	\$300,000
Name of Procurement Officer:	Russ Levine

7.2	Request for Quotations (RFQ)	N/A	Yes	No	Requires Action	Comments
7.2.1	Is there a Procurement Request, in writing, on file (Requisition (ProcureAZ/Email/Other)? (R2-7-205)		Y			
7.2.2	Does the Procurement Request include the following (R2-7-E302-.C.1					
7.2.2.1	Description of need and reason for the emergency (R2-7-E302.C.1)		Y			
7.2.2.2	Name of the supplier (R2-7-E302.C.2)		Y			
7.2.2.3	Duration and estimated total dollar value of the procurement (R2-7-E302.C.3)		Y			
7.2.2.4	Documentation that the price is fair and reasonable (R2-7-702; R2-7-E302.C.4)		Y			
7.2.2.5	Was there a written approval by the delegated agency CPO or by the State Procurement Administrator for this emergency procurement? (R2-7-E302.D)		Y			
7.2.2.6	Was this procurement performed by an authorized procurement officer within his/her delegated authority? (R2-7-206)		Y			
7.2.2.7	Was the emergency procurement limited only to the actions necessary to address the emergency? (R2-7-E302.F)		Y			Emergency is 12 months
7.2.2.8	Given the circumstances, was maximum competition employed to protect the interest of the State? (R2-7-E302.G)		Y			More than one quote was received and evaluated

**State of Arizona
Arizona State Retirement System
Performance Review**

7.2.4	Contract Administration					
7.2.4.1	Are contract files and records complete and available for public inspection? (ARS §41-2533; SP#006)		Y			
7.2.4.2	Are documents named and uploaded to ProcureAZ following the naming conventions outlined in SPO SP# 006?			N	R/A	All ASRS procurement personnel have current disclosure documents; the makeup of the evaluation committee and scoring on not posted to ProcureAZ.

Item No.	Recommendations	Assigned to	Estimated Completion
7.2.4.2	After appropriate training on the required contract documents and naming conventions, ASRS should upload all documents onto ProcureAZ.	CPO	90 days



ARIZONA STATE RETIREMENT SYSTEM

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*Paul Matson
Director*

August 18, 2015

Mr. Jeremy Beakley
Compliance Officer, State Procurement Office
Arizona Department of Administration
100 North 15th Ave., Suite 200
Phoenix, AZ 85007

RE: Arizona State Retirement System Procurement Performance Review

Dear Mr. Beakley:

Thank you for providing to the Arizona State Retirement System (ASRS) the final results of the Procurement Performance Review (PPR) conducted by The Professional Group Public Consulting Company, Inc. (PGPC). The purpose of this letter is to provide a response to the information PGPC purports in the review documents.

Background

As part of the implementation of Procurement Reform legislation effective September 13, 2013, the Arizona Department of Administration (ADOA) reintroduced a compliance program to review procurement practices as part of an overarching goal of achieving statewide consistency.

In a letter dated September 29, 2014, the Arizona State Procurement Office (ADOA SPO) directed PGPC to evaluate the performance of the ASRS procurement program. In October 2014, the ASRS Chief Procurement Officer (CPO) and procurement staff participated in discussions and interviews with PGPC representatives as well as provided all requested documentation and information to either PGPC directly and/or to ADOA SPO staff. On July 21, 2015, the final PPR was provided to the ASRS for response.

Findings, Recommendations, and Responses

After review of the PPR summary and worksheets, the ASRS has concluded that the evaluation includes the following relevant findings and recommendations. To best capture the common themes that appear throughout different sections of the PPR, the ASRS has organized its response by related topics under one of the five general categories.

1. Interagency Service Agreement (ISA)

Among other changes, Procurement Reform legislation (HB2599) added the following requirements under the authority of the ADOA director:

- Employ staff as necessary to perform the duties prescribed in statute.
- Establish procurement offices, as necessary, to maintain an effective and efficient program of procurement administration.
- Provide consultation to state agency management in all aspects of procurement to increase efficiency and economy in state agencies by improving the methods of procurement with full recognition of the requirements and needs of management.
- Enter into agreements with any state government unit to furnish procurement administration services and facilities of the department.

ASRS understands, and strongly supports, that the intent of this legislation is to generate overall consistent, effective, and efficient administration of the procurement process at a statewide level.

Finding: The ASRS and ADOA entered into an ISA that did not clearly define roles and responsibilities to necessitate that the CPO oversee and direct all aspects of the procurement processes at ASRS.

PGPC Recommendation: There should be a standard ISA for all agencies with an ADOA CPO; the agency CPO should direct and oversee procurement activities.

ASRS Response: During the implementation phase of Procurement Reform legislation, ADOA initiated meetings with the ASRS to identify the “requirements and needs of [agency] management.” Considering the types of services the ASRS requires and historical knowledge of the agency’s procurement experiences, a mutually agreed upon ISA was signed in October 2013.

The ASRS has and will continue to consult with and to follow the lead and direction of ADOA with regard to taking any actions deemed acceptable and necessary to fulfill the statutory mandate for effective and efficient procurement administration. In addition, because the delegation of procurement authority to a state governmental unit is effectuated through an agency CPO, the ASRS understands and agrees that – regardless of any organizational structure – it is essential that a CPO accepts responsibility for the procurement activities of the agency, assumes a leadership role in providing clear direction to all agency staff, actively works and consults with the SPA, and participates with statewide peers in order to oversee the program to ensure consistency with state laws, goals, policies, procedures, reporting, and standards.

Finding: ASRS staff have responsibilities divided between procurement and other significant areas of responsibility, which may create opportunity for conflicts of interest to arise.

PGPC Recommendation: ASRS should review its organizational structure to achieve a more focused procurement staff and to ensure a clear division of responsibilities.

ASRS Response: While the ASRS believes it has proper checks and balances in place, the ASRS concurs that a staff resource(s) more focused on procurement activities may be beneficial to the agency to facilitate a clearer division of responsibilities. In addition, the ASRS has developed a tool that outlines timelines and responsibilities for requisite tasks on a specific procurement to fully document when/who completed a review and approved.

As a fiduciary of a trust fund, the ASRS necessarily has a systematic and rigorous process in place for identifying risks and assessing the agency’s internal controls so that no one person controls all aspects of any activity or transaction within the agency. In addition to established policies and procedures, the ASRS utilizes a financial/purchasing system that requires multiple levels of review for requisitions to authorize a purchase (certified procurement staff review but cannot enter requisitions), separate reviews of invoices to authorize payment (certified procurement staff review but cannot issue payment), and a separate receiving function (performed and documented by non-procurement staff). These controls greatly minimize the risk of a single person in any department making unauthorized purchases.

For each solicitation, the ASRS has internal subject matter experts (SME) who have in-depth knowledge and experience in the public pension, employee benefit, technology, and investment industries. In addition to utilizing two or more procurement staff to ensure appropriate reviews are taking place, SMEs, and in some cases external consultants, play a critical role in reviewing documents, tools, and timelines utilized throughout the procurement process to ensure ASRS obtains the most qualified external professional resources.

Given limited staff resources, this type of collaboration and review, along with the oversight of a qualified agency CPO and certified procurement staff, is routine practice at the agency.

2. Delegation of Procurement Authority

The ASRS understands that the SPA may delegate authority to an agency and specify an agency CPO. As permitted and/or required by rule, the CPO may further delegate authority within the agency and must notify the SPA of employees who have been given authority.

Finding: Required sub-delegation of procurement authority and annual procurement disclosure statement documents (PDS) have not been completed timely.

PGPC Recommendation: The ASRS CPO should assure that all procurement personnel have signed sub-delegation and PDS documents in place at the start of the fiscal year.

ASRS Response: The ASRS concurs, and the ASRS CPO has now adopted and will continue the practice of completing sub-delegation documents to staff at the time any new agency CPO delegation documents are issued from the SPA and/or there are changes in agency sub-delegations.

The ASRS CPO has and will continue to request and receive a PDS from procurement staff before the beginning of each fiscal year. When the law came into effect in September 2013, each member of the ASRS procurement team completed the PDS when ADOA SPO issued the form. In July 2014, the ASRS CPO and each ASRS procurement staff member completed a PDS for FY 2015. These documents were provided to PGPC during the review. All procurement staff completed a PDS form for FY 2016 before July 2015.

Finding: Procurement personnel have not completed necessary training applicable to their position (per TB 002) nor the required 20 hours of annual training (per delegation documents).

PGPC Recommendation: ASRS procurement staff should complete the training requirements for their positions and delegations; the ASRS CPO should have a proactive procedure to track required training.

ASRS Response: The ASRS concurs. The list of training/certification requirements in TB 022 was revised effective February 2, 2015. To meet and/or exceed the requirements, all ASRS procurement professionals will complete any outstanding required and recommended courses associated with their comparable position/grade level as sessions are made available under the state's procurement training program. In addition, the ASRS CPO and procurement staff will complete any additional training recommended by the SPA or the SPO Training Officer.

Pursuant to the delegations of authority, the ASRS CPO and procurement staff were required to complete 20 hours of annual professional training. For FY 2015, all ASRS procurement professionals completed this requirement.

To assist in tracking and monitoring education and training, the ASRS has developed a tracking tool to log completion of, or enrollment in, courses. The ASRS CPO will review this log, at minimum, on a quarterly basis and discuss progress during established ASRS procurement team meetings.

Finding: The ASRS does not have formal in-house procurement training and mentoring programs.

PGPC Recommendation: The ASRS and the ASRS CPO should provide ongoing procurement training and mentoring to new and current personnel.

ASRS Response: The ASRS concurs in principle. The ASRS believes participating in the training opportunities offered by ADOA SPO, as well as local and national public procurement associations, is the most efficient method for training staff and for staff to remain current on adopted policies and practices. One of the core tenets of Procurement Reform is to have a mandatory training/certification program to ensure statewide consistency in procurement practices. ADOA SPO is appropriately taking the lead in developing the core curriculum and formal training strategy.

In addition to formal training, the ASRS supports, and benefits from, the ASRS CPO's participation in ADOA SPO meetings, strategic sessions, leadership training opportunities, and workgroups. The ASRS CPO communicates information and direction, discusses impacts, and plans implementation of required actions in weekly ASRS team meetings to ensure the agency's efforts are consistent with those of other state agencies.

Finally, although a precise definition of "mentoring" is elusive, the ASRS believes the current approach that is utilized by the ASRS CPO and staff who have vast experience to guide those with less specific expertise provides the opportunity and flexibility that encourages, challenges, and develops procurement professionals over time.

3. Procurement Policies and Procedures

ASRS understands that policies and procedures provide information and establish guidelines and standards to procurement employees. While these are often located in a singular manual, more importantly, the information should be current, comprehensive, and readily accessible to all employees.

Finding: The ASRS has a procedures manual that does not address any policy; the manual is not comprehensive, is not regularly updated, and does not currently reflect changes in the Arizona Procurement Code (APC).

PGPC Recommendation: The ASRS procedures manual should be revised to include policies and updates to ASRS-specific procedures that supplement the general instructions of the APC.

ASRS Response: The ASRS concurs that procedures should be regularly revised and updated. The ASRS completed an update of procurement standard operating procedures (SOP) in December 2014. All SOPs will be placed on the agency SOP review schedule and/or updated with significant changes to procedures or requirements.

However, the ASRS considers the APC – comprised of Arizona statutes and the rules and policies published by ADOA SPO – to be the policy of the ASRS; ASRS procurement staff are familiar with the location of APC documents on state websites and, as a matter of routine, access them to ensure the latest versions are referenced.

Notwithstanding this fact, in August 2014, the ASRS also adopted the "Procurement Manual" provided by ADOA SPO. The manual reflects recent legislation and includes language on the background and statutory purpose of the APC, Ethics, Authority, Delegations, Chief Procurement Officers, and State Guidelines. A copy of this manual was provided to PGPC in October 2014 for reference during its review of ASRS.

The "Procurement Manual" contains the state's (and ASRS-adopted) policies, but also includes a Table of Contents for agencies to incorporate agency-specific procedures. The ASRS has a library of SOPs, organized by the program areas and functions/processes across the agency. Because all of the procurement-related SOPs are in one location and can be easily accessed by staff, ASRS does not believe it is necessary to have a singular document, as each references related APC citations or state/agency procedures.

The ASRS does have an SOP on - or addresses in an SOP - topics that PGPC reported absent, including surplus property, contract administration, and specifications/scope of work requirements and preparation.

4. Document and Internal Control Standards

Document standards assist both the procurement officer in document management and the public in viewing the solicitation and contract files to provide increased public confidence in the procedures followed in public procurement.

Finding: PGPC was unable to locate certain documents for each of the nine solicitations and/or contract files reviewed.

PGPC Recommendation: The ASRS should develop a comprehensive checklist for each kind of procurement.

ASRS Response: The ASRS concurs that a checklist helps achieve consistency. Beginning in FY 2014, the ASRS has worked to implement a practice of compiling an electronic file at ASRS in conjunction with loading critical support documentation into ProcureAZ. ASRS procurement staff developed a checklist specifically for the purpose of assembling complete and accurate documentation based on the current published SP 006 – Document Standards (dated October 24, 2011), the required documents outlined in rule and/or statute, and historical shared experiences of peers. This checklist was reviewed and revised to reflect changes in the APC due to Procurement Reform and subsequent rule changes. This checklist was provided to PGPC, with the specific content required under SP 006 highlighted.

Many of the documents that PGPC asserted were not available, such as bid notification lists, vendors' responses, advertising, and PDS and best and final documents actually are available on ProcureAZ on the Bid Tab of the solicitations. Additional information relating to the location of documents in ProcureAZ records was not requested from ASRS during the review period.

In addition, many other documents were available in ASRS electronic file folders, to which PGPC was provided access. Nonetheless, as a result of the PPR, ASRS attached documents, such as certificates of insurance and evaluation summaries, to the appropriate contract files in ProcureAZ in March 2015. Items that would typically be attached to the Bid Tab cannot be added to ProcureAZ as the system prevents loading documents to the bid after an award has been made.

The ASRS checklist can be enhanced to address the timing and specific locations for attaching documents in ProcureAZ and to incorporate a review process to further assist staff in ensuring the state's official procurement record is complete.

Finding: Solicitation or contract files did not follow the naming conventions prescribed by SP 006 – Document Standard.

PGPC Recommendation: All future files should conform to SP 006.

ASRS Response: The ASRS concurs that files should conform substantively with standard procedures that govern state procurement activities. The current published SP 006, as indicated in the Notice at the bottom of each page, provides an example of the order, naming convention, and required contents for solicitation and contract files as "a resource to the Procurement Officers . . ." but "is not intended to represent the only such process allowable under the Arizona Procurement Code"

With the goal of minimizing the number of individual documents that would require download and/or access from ProcureAZ, the ASRS implemented a system for organizing and compiling related sections into fewer documents. Each document uses an identifiable name and includes a Table of Contents and/or bookmarks to assist with navigation and location of the required content. It is the position of the ASRS that this process not only creates more efficiency and reduces confusion, but also reflects and achieves the intention of the document standards as outlined in SP 006.

To further assist vendors and interested parties, the ASRS can make better use of the Name and Description fields in ProcureAZ to enhance the identification of documents. In addition, the ASRS CPO will continue to actively participate in ADOA SPO workgroup discussions that began in FY

2014 to update SP 006 to achieve enhanced instruction for document management in the state's system.

5. Promoting Effective Competition

ASRS understands that while it has a responsibility to maximize the value of public monies to the fullest extent practicable in state procurement activities, it must also engender public confidence by promoting transparency, ethical behavior, and respect when dealing with others.

Finding: In five solicitations, ASRS did not detail the volume of work or the dollar value of the current contract in the scope of work.

PGPC Recommendation: The ASRS should detail the volumes so that non-incumbents have a better sense of the needs of the agency.

ASRS Response: The ASRS concurs that a scope of work should clearly document key facts as well as the requirements expected to be provided. However, given the nature of many of the contracts awarded by the ASRS, it is not always beneficial to the vendor community to provide estimations based on fluid assumptions. Many ASRS contracts are on an "as needed, if needed" basis, particularly for professional services. Qualified potential offerors are professional companies who have an excellent understanding of and familiarity with the requirements, benefits, and administration of a public pension system and who are highly capable of assessing the potential needs of the ASRS and volume of work based on membership data, benefit program structures, and investment information that is made available. Providing past spend may actually prove to be a disservice to both the vendor community in creating circumstantial expectations and to the ASRS in potentially creating inflated pricing quotes. Therefore, the ASRS will continue to determine the applicability of providing details of volumes or spend in a solicitation on a case-by-case basis.

Finding: In two procurements, the construct of the solicitations did not provide adequate response time and/or generate a sufficient number of qualified offerors.

PGPC Recommendation: ASRS should not publish solicitations until all significant data has been gathered and documentation reviewed; the ASRS should forecast needs to build better timelines.

ASRS Response: ASRS strongly disagrees with this finding. Both solicitations were conducted in compliance with provisions permitted in the APC, which promotes fairness and competition. In addition to achieving technical compliance with the APC, ASRS adhered to a higher standard of expectations and took additional actions to serve our stakeholders, which includes the vendor community, as illustrated below:

Oracle Hardware, Software, Support and Professional Services – ASRS had previously purchased Oracle products and services under a statewide contract. With very little notice, the state contract was no longer an option. The purchase was deemed critical to support ASRS data system requirements. In the process of determining whether competition was even practicable, the manufacturer advised the ASRS of companies that were considered "authorized reseller partners" and that had the requisite permissions and agreements in place to provide the products and service. In addition, ASRS was advised that price discounts of approximately \$150,000 were available before a certain date. Because the outlined scope of work and requirements were not complex, ASRS proceeded with a solicitation after determining that a shorter time frame was necessary and would also be advantageous to the state. ASRS provided notification to registered vendors in ProcureAZ, the resellers identified by the manufacturer, as well as technology companies that had previously contacted the ASRS. The ASRS received feedback that indicated there was sufficient time between the RFP release date and the due date for potential qualified offerors to provide an offer and to achieve the discounted price – resulting in both effective competition and cost savings.

Retiree Medical Benefits Program Administration – The five weeks between the Request for Proposal (RFP) issuance and due date not only is in excess of APC requirements, but historically, in past solicitations for these and similar services, has proven to be adequate time for experts in the health care industry to consider and respond. In addition, the ASRS utilized the services of an employee benefits consulting firm to develop and review the RFP documents, including numerous exhibits that presented previously provided statistical data in alternative formats to accommodate different business practices and methods.

The ASRS does not rely solely on the available registered vendor list in the ProcureAZ system. It is typical for the ASRS to reach out to qualified companies in the industry and local markets that, based on ASRS SMEs' knowledge and experience or procurement staff market research, may have the ability and interest in providing the services.

As a result of proactive and appropriate interaction, ASRS staff learned that the RFP generated the interest of a sufficient number of qualified offerors (five large companies), but ultimately not all chose to provide an offer due to internal business decisions, market conditions at the time, or company profit margin goals. The RFP did create opportunity for qualified health care suppliers, and the resulting contract provides for competitive monthly premium rates for ASRS retired members.

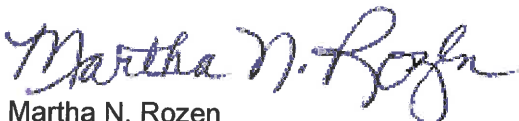
By design, most of the contracts ASRS enters into for services are for one year with the option, at the sole discretion of the ASRS, to renew. This provides the ASRS the opportunity to review vendor performance, assess market conditions, and review significant industry changes to determine whether it is necessary or appropriate to issue a new RFP for the services. The ASRS will continue to take this approach for all contracts.

Summary

The ASRS appreciates the opportunity to review the performance of its procurement program. Absent further or specific direction from ADOA SPO, ASRS will continue to take the steps described in our response to enhance current practices. Should you have any questions or require additional documentation or information, please do not hesitate to contact me at marthar@azasrs.gov or 602-240-5355.

We look forward to the implementation of additional statewide procurement programs and strategic priorities to achieve consistency and effectiveness of the collective administration of the procurement practices of the state.

Sincerely,



Martha N. Rozen
Chief of Administrative Services

cc: Paul Matson, Executive Director, ASRS
Anthony Guarino, Deputy Director and Chief Operations Officer, ASRS
Barbara Corella, State Procurement Administrator, ADOA SPO